



Post Office Box 9010      Addison, Texas 75001-9010      5300 Belt Line Road      (972) 450-7000  
FAX (972) 450-7043

## **AGENDA**

### **REGULAR MEETING OF THE CITY COUNCIL**

**SEPTEMBER 27, 2005**

**7:30 P.M.**

**COUNCIL CHAMBERS**

**5300 BELT LINE ROAD**

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### **REGULAR SESSION**

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Item #R1 -      Consideration of Old Business.

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Item #R2 -      Consent Agenda.

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## CONSENT AGENDA

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#2a - Approval of the Minutes for the September 6, 2005 and  
September 13, 2005 Council Meetings.

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Item #R3 - Consideration and approval of an Ordinance granting meritorious exception to Sec. 62-183, Number of Signs, Sec. 62-185, Specifications, and Sec. 62-286, Interchangeable Copy for Two Rows Restaurant located at 17225 Dallas Parkway.

Attachments:

1. Staff Report
2. Application
3. Memorandum from Lynn Chandler
4. Plans

Administrative Recommendation:

The applicant will present a revised plan to the staff on Friday, September 24th. Staff will present revised drawings and a recommendation at the Council meeting.

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Item #R4 - Consideration and approval of an Ordinance granting meritorious exception to Sec. 62-246, Temporary Banner Signs, prohibited, exceptions, of the sign ordinance for Prestonwood Place United Partnership located at 5290 Belt Line Road.

Attachments:

1. Staff Report
2. Application
3. Memorandum from Lynn Chandler
4. Plans

Administrative Recommendation:

Administration recommends denial.

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Item #R5 - Consideration and approval of a Resolution authorizing the City Manager to enter into an agreement with ConsultEcon, Inc. to assist the Town in conducting a feasibility study of the proposed Cavanaugh Flight Museum expansion.

Attachments:

1. Council Agenda Item Overview
2. Agreement
3. Proposal

Administrative Recommendation:

Administration recommends approval.

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Item #R6 - Consideration and approval of Change Order No. 4 in the amount of \$99,560.54 for the construction of Arapaho Road, Phase III, from Surveyor Blvd. to Addison Road.

Attachments:

1. Council Agenda Item Overview
2. Change Order

Administrative Recommendation:

Administration recommends approval.

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Item #R7 - Consideration and approval to authorize the City Manager to reimburse the Dallas, Garland & Northeastern Railroad, Inc., for installation of highway grade crossing signals on the Arapaho Road, Phase III project.

Attachments:

1. Council Agenda Item Overview
2. Agreement

Administrative Recommendation:

Administration recommends approval.

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Item #R8 - **PUBLIC HEARING** regarding the proposed Town of Addison annual budget for the fiscal year beginning October 1, 2005 and ending September 30, 2006.

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Item #R9 - Consideration and approval of an Ordinance adopting the Town of Addison annual budget for the fiscal year beginning October 1, 2005 and ending September 30, 2006.

Attachments:

1. Council Agenda Item Overview
2. Ordinance
3. Budget

Administrative Recommendation:

Administration recommends approval.

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Item #R10 - Consideration and approval of an Ordinance fixing and adopting the tax rate on all taxable property, for the year 2005; and declaring an emergency.

Attachments:

1. Council Agenda Item Overview
2. Ordinance

Administrative Recommendation:

Administration recommends approval.

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Item R11 - Consideration and approval of an Ordinance amending the Code of Ordinances by amending Chapter 67, Article IV, Section 67.20, Restaurant/Retail Promotional Fee.

Attachments:

1. Council Agenda Item Overview
2. Ordinance
3. Development Services Fees

Administrative Recommendation:

Administration recommends approval.

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Item #12 - Consideration and approval of an Ordinance amending the Code of Ordinances by amending Chapter 46, Article II, Section 46.32, Food Service License Fee.

Attachments:

1. Council Agenda Item Overview
2. Ordinance
3. Development Services Fees

Administrative Recommendation:

Administration recommends approval.

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Item #R13 - Consideration and approval of an Ordinance amending the Code of Ordinances by amending Appendix B, Section IX.A, Plat Fees.

Attachments:

1. Council Agenda Item Overview
2. Ordinance
3. Development Services Fees

Administrative Recommendation:

Administration recommends approval.

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Item #R14 - Consideration and approval of an Ordinance amending the Code of Ordinances by amending Chapter 18, Article XXVI, Section 18.2, Zoning Verification Letter Fee, Zoning Fee, Special Use Permit Fee and Variance Fee.

Attachments:

1. Council Agenda Item Overview
2. Ordinance
3. Development Services Fees

Administrative Recommendation:

Administration recommends approval.

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Item #R15 - Consideration and approval of an Ordinance amending the Code of Ordinances by amending Chapter 66 (Solid Waste) Article II (Collection and Disposal), Section 66-52 by removing the reference to the \$0.10 landfill surcharge, and by adding an increase from \$9.55 to \$9.89 the monthly fee for single family residential garbage and recycling collection.

Attachments:

1. Council Agenda Item Overview
2. Letter from John L. Klaiber
3. Ordinance

Administrative Recommendation:

Administration recommends approval.

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Item #R16 - Consideration and approval of an Ordinance amending the Code of Ordinances by amending Chapter 66 (Solid Waste) Article II (Collection and Disposal), Section 53 regarding the requirements for a solid waste collection permit.

Attachments:

1. Council Agenda Item Overview
2. Ordinance

Administrative Recommendation:

Administration recommends approval.

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Item #R17 - Consideration and approval of an Ordinance approving  
1) increases in emergency medical service fees by \$100 for Town residents and \$150 for non-residents, and 2) assesses an additional \$5 fee per loaded transport mile related to ambulance transportation.

Attachments:

1. Council Agenda Item Overview
2. Ordinance
3. Ambulance Billing Comparisons

Administrative Recommendation:

Administration recommends approval.

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Item #R18 - Consideration and approval of an Ordinance revising the Town's policy concerning health insurance for retirees.

Attachment:

1. Council Agenda Item Overview

Administrative Recommendation:

Administration recommends approval.

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Item #R19 - Consideration and approval of an Ordinance amending the Town's current Workers' Compensation policy.

Attachments:

1. Council Agenda Item Overview
2. Proposed Revision

Administrative Recommendation:

Administration recommends approval.

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Adjourn Meeting

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Posted 5:00 p.m.  
September 22, 2005  
Carmen Moran  
City Secretary

**THE TOWN OF ADDISON IS ACCESSIBLE TO PERSONS  
WITH DISABILITIES. PLEASE CALL (972) 450-2819 AT LEAST  
48 HOURS IN ADVANCE IF YOU NEED ASSISTANCE.**

## OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL

September 6, 2005  
6:00 p.m. – Town Hall  
5300 Belt Line Road

Present: Mayor Chow, Councilmembers Braun, Hirsch, Kraft, Mallory, Mellow,  
Niemann

Absent: None

Item #1 – Photography Session of the City Council.

Councilmember Mallory leaves after photography session.

Item #2 – Update on the Town of Addison's efforts to provide relief to the New Orleans refugees.

No action taken.

Item #3 – Discussion of FY 2005-06 Budget.

No action taken.

Item #4 – Discussion of zoning on Belt Line Road.

No action taken.

Item #5 - Consideration and approval of final payment for the Belt Line asphalt overlay project.

Councilmember Niemann moved to duly approve final payment for the Belt Line asphalt overlay project. Councilmember Kraft seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mellow, Niemann

Voting Nay: None

Absent: Mallory

Item #6 – Discussion of the naming opportunities of public buildings, facilities, and parks.

No action taken

There being no further business before the Council, the meeting was adjourned.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Secretary



**OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL**

September 13, 2005  
7:30 p.m. - Council Chambers  
5300 Belt Line Road

Present: Mayor Chow, Councilmembers Braun, Hirsch, Kraft, Mallory, Mellow,  
Niemann  
Absent: None

Item #R1 - Consideration of Old Business.

The following employees were introduced to the Council: Richard Hess (Public Works), Patty Frederick (Police), Brian Hogan (Finance).

Item #R2 - Consent Agenda.

Item #2c and Item #2d were considered separately.

#2a – Approval of the Minutes for the August 23, 2005 Council Meeting.  
(Approved as written)

#2b – Approval of final payment to Jim Bowman Construction in the amount of \$7,900 for completion of the Stone Cottage parking lot. (Approved)

#2e – Consideration and approval to authorize the City Manager to enter into a contract with Gary Daigle CLU, RHU, in an amount not to exceed \$10,000 for consulting services relating to the Town's employee medical and dental insurance plans for 2006. (Approved)

Councilmember Mallory moved to duly approve the above listed items.  
Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun Hirsch, Kraft, Mallory, Mellow, Niemann  
Voting Nay: None  
Absent: None

#2c – Approval of final payment to Abstract Construction in the amount of \$25,000 for completion of construction of Addison Circle Park.

Councilmember Niemann moved to duly approve final payment to Abstract Construction in the amount of \$25,000 for completion of construction of Addison Circle Park. Councilmember Mallory seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann  
Voting Nay: None  
Absent: None

#2d – Consideration and approval of a Resolution to award bid to Craig Olden, Inc., in the amount of \$37,800 for the Lake Forest Drive Culvert Repair project.

Councilmember Niemann moved to duly pass Resolution No. R05-074 awarding bid to Craig Olden, Inc., in the amount of \$37,800 for the Lake Forest Drive Culvert Repair project. Councilmember Kraft seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann  
Voting Nay: None  
Absent: None

Item #R3 – **PUBLIC HEARING** regarding, and consideration of approval of, an Ordinance approving an amendment to an existing Special Use Permit for a restaurant, and an existing Special Use Permit for the sale of alcoholic beverages for on-premises consumption, located at 4980 Belt Line road, Suite 150, on application from Jimmy John's Sandwiches, represented by Mr. Brent Herbeck.

Mayor Chow opened the meeting as a public hearing. There were no questions or comments. Mayor Chow closed the meeting as a public hearing.

Councilmember Mallory moved to duly approve Ordinance No. 005-038 approving an amendment to an existing Special Use Permit for a restaurant, and an existing Special Use Permit for the sale of alcoholic beverages for on-premises consumption, located at 4980 Belt Line road, Suite 150, on application from Jimmy John's Sandwiches subject to no conditions. Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann  
Voting Nay: None  
Absent: None

Item #R4 – **PUBLIC HEARING** regarding, and consideration of approval of, an Ordinance approving a Special Use Permit for a Convenience Store in a Commercial-1 District, located at 15080 Beltwood Parkway East #102, on application from Ms. Claudia R. Merisio.

Mayor Chow opened the meeting as a public hearing. There were no questions or comments. Mayor Chow closed the meeting as a public hearing.

Councilmember Braun moved to duly pass Ordinance No. 005-039 approving a Special Use Permit for a Convenience Store in a Commercial-1 District, located



at 15080 Beltwood Parkway East #102. Councilmember Mallory seconded.  
Motion carried.

Voting Aye: Chow, Hirsch, Kraft, Mallory, Mellow, Niemann  
Voting Nay: None  
Absent: None

Item #R5 – Consideration and approval of an Ordinance granting meritorious exception to Sec. 62-183, Number of Signs, Sec. 62-185, Specifications, and Sec. 62-286, Interchangeable Copy for Two Rows Restaurant located at 17225 Dallas Parkway.

Councilmember Hirsch recused himself and left the council chambers.

Item was tabled.

Councilmember Hirsch returned.

Item #R6 – Consideration and approval of an Ordinance granting meritorious exception to Sec. 62-162, Premises sign and Sec. 62-163, Area of the sign ordinance for Wachovia Bank located at 5080 Spectrum Drive.

Councilmember Niemann moves to duly pass Ordinance No. 005-040 granting meritorious exception to Sec. 62-162, Premises sign and Sec. 62-163, Area of the sign ordinance for Wachovia Bank located at 5080 Spectrum Drive.  
Councilmember Mellow seconded. Motion carried.

Voting Aye: Chow, Braun, Mellow, Niemann  
Voting Nay: Hirsch, Kraft, Mallory  
Absent: None

Item #R7 – Presentation of 2006 Addison calendar concepts.

No action taken.

Item #R8 – Consideration and approval of a Resolution authorizing the City Manager to enter into an agreement for production for the 2006 Addison calendar in an amount not to exceed \$80,000.

Councilmember Mallory moved to duly pass Resolution No. R05-075 authorizing the City Manager to enter into an agreement for production for the 2006 Addison calendar in an amount not to exceed \$80,000. Councilmember Niemann seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann  
Voting Nay: None  
Absent: None

Item #9 – Presentation by the Addison Arbor Foundation Citizens Advisory Committee to update the Council on committee projects.

No action taken.

Item #10 – Presentation by the Addison Arbor Foundation Board of Directors regarding amendments to the Addison Arbor Foundation Bylaws establishing Citizen Advisory Committee member term limits, and establishing policy and procedures for appointing new Citizen Advisory committee members.

No action taken.

Item #11 – Consideration and approval of a Resolution adopting the implementation of the National Incident Management System (NIMS).

Councilmember Kraft moved to duly pass Resolution No. R05-076 adopting the implementation of the National Incident Management System (NIMS).  
Councilmember Mallory seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann  
Voting Nay: None  
Absent: None

Item #12 – Consideration and approval of a supplemental agreement to the Engineering Services Agreement with HNTB Corporation, in the amount not to exceed \$123,980 for additional design and inspection services on the Arapaho Road project, from Surveyor Boulevard to Addison Road.

Councilmember Mallory moved to approve a supplemental agreement to the Engineering Services Agreement with HNTB Corporation, in the amount not to exceed \$123,980 for additional design and inspection services on the Arapaho Road project, from Surveyor Boulevard to Addison Road. Councilmember Niemann seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann  
Voting Nay: None  
Absent: None

Item #13 – Consideration and approval of Change Order No. 4 in the amount of \$99,560.54 for the construction of Arapaho Road, Phase III, from Surveyor Boulevard to Addison Road.



Councilmember Kraft moved to deny approval of Change Order No. 4 in the amount of \$99,560.54 for the construction of Arapaho Road, Phase III, from Surveyor Boulevard to Addison Road. Councilmember Braun seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow  
Voting Nay: Niemann  
Absent: None

Item #14 – Discussion and consideration of a request from Turbine Aircraft Services, Inc. tenant pursuant to a ground lease of certain property located at 4550 Jimmy Doolittle Dr. at Addison Airport, for the Town of Addison, as landlord, to approve an estoppel letter from F&M Bank and Trust Company in connection with a loan from the Bank to be secured by the tenant's leasehold estate.

Councilmember Mallory moved to duly approve a request from Turbine Aircraft Services, Inc. tenant pursuant to a ground lease of certain property located at 4550 Jimmy Doolittle Dr. at Addison Airport, for the Town of Addison, as landlord, to approve an estoppel letter from F&M Bank and Trust Company in connection with a loan from the Bank to be secured by the tenant's leasehold estate. Councilmember Niemann seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow  
Voting Nay: Niemann  
Absent: None

Item #15 – Presentation and discussion of trends in the sales tax collections for the Town of Addison

No action taken.

Item #16 – **PUBLIC HEARING** regarding the proposed Town of Addison's Annual Budget for the fiscal year beginning October 1, 2005 and ending September 30, 2006.

Mayor Chow opened the meeting as a public hearing.

Paul Hayes of 4100 Leadville spoke in support of including funding for a dog park in the budget.

There were no further questions or comments. Mayor Chow closed the meeting as a public hearing.

No action taken.

Item #17 – **PUBLIC HEARING** regarding the establishment of a tax rate of \$.4760 per \$100 appraised value on property within the Town of Addison for the 2005-06 annual budget.

Mayor Chow opened the meeting as a public hearing. There were no questions or comments. Mayor Chow closed the meeting as a public hearing.

No action taken.

Item #18 – Presentation of water and sewer rates associated with the 2005-06 annual budget.

No action taken.

Item #19 – Consideration and approval of an Ordinance adopting the Town of Addison's investment policy for FY 2005-06.

Councilmember Mallory moved to duly pass Ordinance No. 005-041 adopting the Town of Addison's investment policy for FY 2005-06. Councilmember Niemann seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann  
Voting Nay: None  
Absent: None

Item #20 – Consideration and approval of a Resolution adopting an investment strategy for FY 2005-06.

Councilmember Niemann moved to duly pass Resolution No. R05-077 adopting an investment strategy for FY 2005-06. Councilmember Mellow seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann  
Voting Nay: None  
Absent: None

Item #21 – Consideration of a contract renewal with First Southwest Asset Management for investment advisory services.

Councilmember Kraft moved to duly approve a contract renewal with First Southwest Asset Management for investment advisory services. Councilmember Niemann seconded. Motion carried.

Voting Aye: Chow, Braun, Hirsch, Kraft, Mallory, Mellow, Niemann  
Voting Nay: None  
Absent: None

**EXECUTIVE SESSION.** At 11:43 p.m. Mayor Chow announced that the Council would convene into Executive Session.

Item ES1 – Closed (executive) session of the City Council pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with its attorney to seek the advice of its attorney about pending litigation, to wit: *Transcontinental Realty Investors, Inc., et al, v. The City of Addison, Texas*, Case No. 03-03457, 160<sup>th</sup> Judicial District Court, Dallas County, Texas, and on a matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 552, Tex. Gov. Code.

The Council came out of Executive Session at 12:50 a.m.

There being no further business before the Council, the meeting was adjourned.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Secretary



## **Council Agenda Item: #R3**

**There are no attachments for this item. Staff will present revised drawings and a recommendation at the Council meeting.**



# MERITORIOUS EXCEPTION TO THE ADDISON SIGN ORDINANCE

## STAFF REPORT

ME 2005-10

Date: September 12, 2005

Business: Prestonwood Place

Location of Request: 5290 Belt Line Rd

<u>Ordinance Requirement</u>	<u>Request</u>	<u>Variance</u>
<p>Sec. 62-246. Temporary banner signs; prohibited, exceptions.</p> <p>Temporary banner signs are prohibited in all zoning districts in the town except for the following:</p> <p>(1) Any premises or nonresidential occupancy may display one banner announcing a grand opening of a new business. Display of such sign is limited to a maximum of 60 days per opening. The privilege to begin display of such sign expires six months after the issuance of a certificate of occupancy. Use of grand opening signs only apply to new ownership. Size of banner is limited to 50 square feet with at least one-half of all readable copy stating "Grand Opening" or "Now Open".</p> <p>(2) Any premises or any nonresidential occupancy may display banner signs containing a message directly relating a special event provided, however, that such banners may be displayed no more than 14 days prior to a special event and must be removed within two days after the conclusion of the special event.</p> <p>Sec. 62-1 Definitions.</p> <p>Special event means events which are sponsored in whole or in part by the town and include only: Kaboom Town, Oktoberfest, and other events as designated by the city council.</p>	<p>The applicant is requesting:</p> <p>30 banners with areas of approximately 18.75 sq ft each to be located on 15 light poles.</p>	<p>The ordinance only allows banners for grand openings and city sponsored special events. There is only one banner of each type allowed and they can not exceed 50 Sq. Ft. in area.</p>

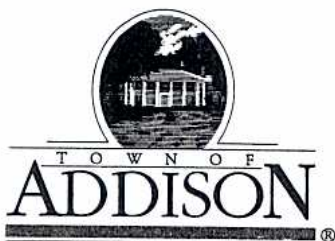
STAFF RECOMMENDATION: Staff recommends denial.

STAFF:

*Eryn Chandler*  
Eryn Chandler, Building Official

#R4-1

#R4-2



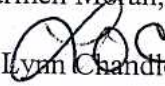
**BUILDING INSPECTION DEPARTMENT**

(972) 450-2880 Fax: (972) 450-2837

16801 Westgrove

Post Office Box 9010 Addison, Texas 75001-9010

To: Carmen Moran, Director of Development Services

From:  Lynn Chandler, Building Official

Date: September 16, 2005

Subject: Meritorious Exceptions to the Sign Ordinance

The following exceptions have been granted for detached signs:

1. 14951 Dallas Parkway

Carter Crowley Properties ( Comp USA)

Meritorious Exception Ord. 093-030, May 11, 1993

Flag and Pole: Pole Height 120', Flag Area 760 sq. ft.

Comp USA was also granted an exception for a corporate flag 96 sq. ft. in area.  
February 2003.

2. 16771 Dallas Parkway

Bent Tree National Bank

Meritorious Exception Ord. 094-070, October 25, 1994

Pole Sign: Height: 25', Area: 71 sq. ft.

3. 16251 Dallas Parkway

Mary Kay

Meritorious Exception Ord. 095-022, may 9, 1995

Monument Sign: Height 9', Area 54 sq. ft.

4. 14655 Dallas Parkway

Bay Street ( Lawry's)

Meritorious Exception Ord. 092-065, October 27, 1992

Pole Sign: Height 30', Area 72 sq. ft.

5. 5100 Belt Line Road

Village on the Parkway

Meritorious Exception Ord. 096-022, June 11, 1996

3 Towers: Height 44', Area 77 sq. ft.

And

2 signs from previous meritorious exception allowed to remain.

Ord. 094-047, July 21, 1994

Pole Sign: Height 29'6", Area 156 sq. ft.

6. Addison Town Center Shopping Center located in the 3700 to 3800 block of Belt Line Road was granted an exception for four pole signs that did not meet the design criteria or maximum area of the ordinance. November 2002
7. Two Rows Restaurant & Brewery located at 17225 Dallas Pkwy was granted an exception for an additional monument sign with an area of 72 sq ft and a height of 8'. August 2003.
8. Addison Walk located at 5000 Belt line Road was granted an exception for two 72 sq ft pole signs that did not meet the design criteria of the sign ordinance. January 2004.
9. Lawry's located at 14655 Dallas Pkwy was granted an exception for a pole sign 35' in height and 114 sq ft in area due to it's location on Dallas Pkwy and it's unique design. December 2004



Addison!

#R4-3

BUILDING INSPECTION DEPARTMENT 16801 Westgrove Dr Addison Texas 75001 972/450-2881 fax: 972/450-2837

Application for Meritorious Exception to the Town of Addison  
Sign Ordinance

Application Date: 7/21/05

Filing Fee: \$200.00

Applicant: Kris A. Schuster, Senior Property Manager - Venture Commercial Management, LLC  
as Managing Agent for Prestonwood

Address: 8311 Preston Center Plaza Drive

Suite#:

Dallas  
City

TX  
State

75225  
Zip

Phone#: 469.232.0800

Fax#: 469.232.0801

Status of Applicant: Owner \_\_\_\_\_ Tenant \_\_\_\_\_ Agent ☒

Location where exception is requested:

Prestonwood Place - 5290 Belt Line Road, Addison, TX

Reasons for Meritorious Exception:

See attached

YOU MUST SUBMIT THE FOLLOWING:

12 COPIES OF THE PROPOSED SIGN SHOWING:

1. Lot Lines
2. Names of Adjacent Streets
3. Location of Existing Buildings
4. Existing Signs

5. Proposed Signs
6. Sketch of Sign with Scale and Dimensions Indicated (8.5 x 11 PLEASE)

Date Fees Paid 9-12-05 Check # 400 Receipt # 24673

Prestonwood Place is requesting that a temporary exception be made to Chapter 62 of The Town of Addison Code of Ordinances. In an effort to draw visual attention to the shopping center, we installed red, white, and yellow professional banners to all of the light pole standards (15 total) within the shopping center (color copies attached). There were two main reasons for making this decision:

- 1) Attract drive by attention to the center for marketing and leasing
- 2) To increase traffic flow and exposure for the tenants in the shopping center

Although we have successfully negotiated new leases with Chipotle, Mille Fleurs and The Extreme Pita, the center continues to hover at only 55% occupancy. We are confident that the traffic and customer base will improve when the new development is completed on the north side of Belt Line Road. However, in the interim, our tenants and leasing efforts are suffering mainly due to the limited visibility of the vacancies.

Please consider allowing our existing banner program to continue through October 2005 at which time they will be removed and the new holiday banners will go up with no wording. When the holiday banners are removed, we would like your permission to re-use the "Welcome" banner and replace the "Prestonwood Place, Stop, Shop & Dine" portion of the program with a decorative banner that has no wording.

Thank you for your consideration.



#R4-4

*Welcome*

PRESTONWOOD  
PLACE

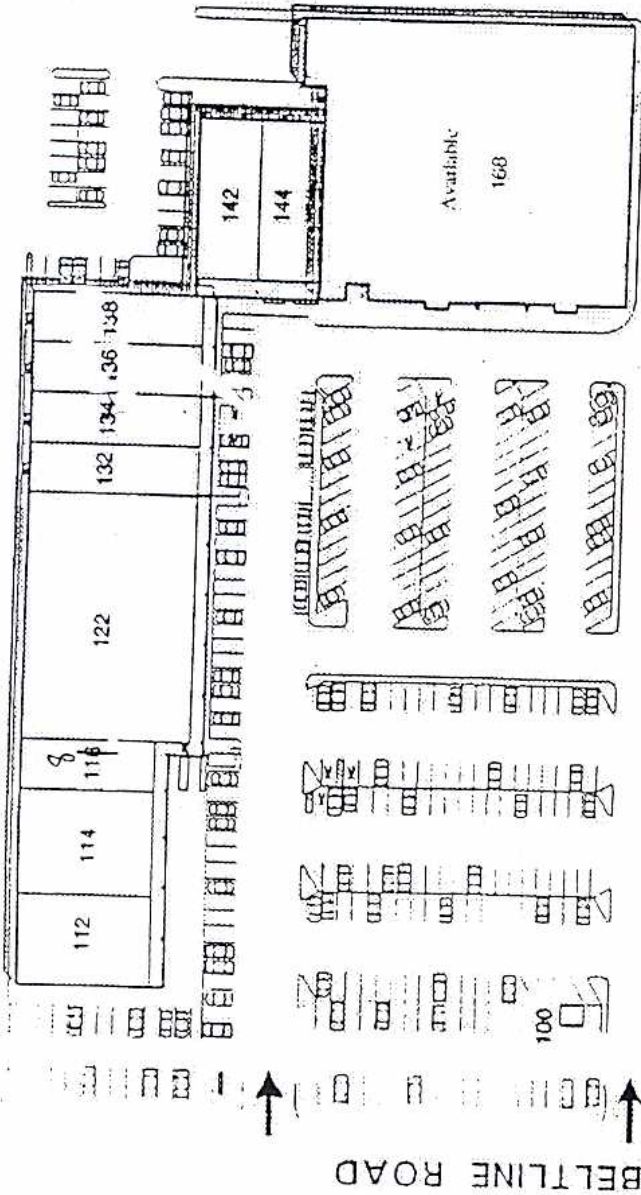
stop  
shop  
dine



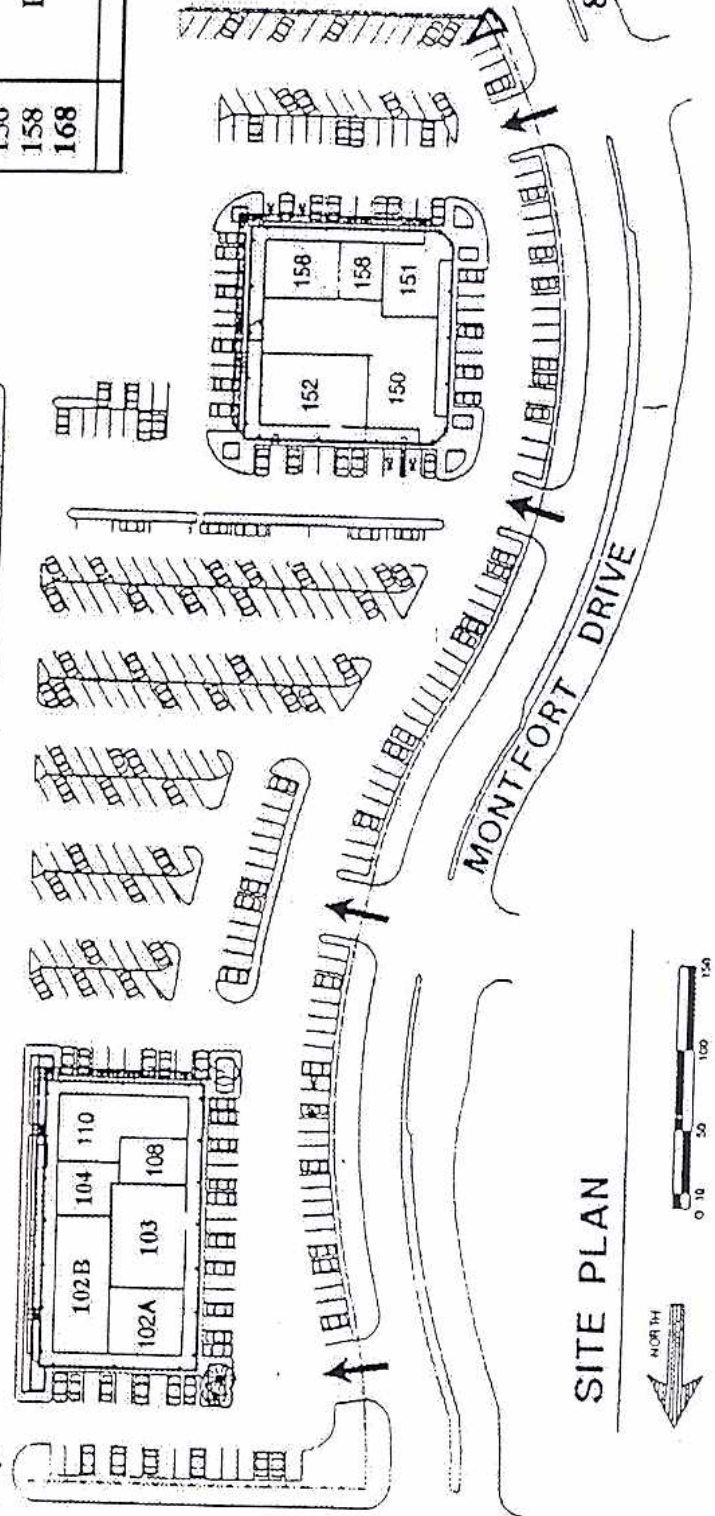




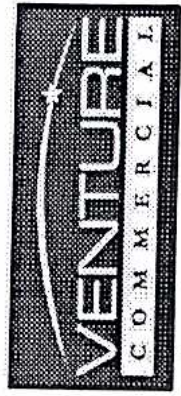
# PRESTONWOOD PLACE



Suite	Tenant	Sq. Ft.
100	Joe's Keys	168
102A	Pearle Optical	1,782
102B	Soho Junction Cafe	1,443
103	Available	3,200
104	Available	1,275
108	Addison Cafe	2,000
110	The Great Outdoors	2,300
112	La Madeleine	5,840
114	Enchilada's	5,200
116	Cafe Gecko	2,440
122	Consignment Store	14,925
132	MoMo's Pasta	3,000
134	Available	3,000
136	Salon International	6,000
142	Vernon's Grill	3,500
144	Chow Thai	3,500
150	Logan's	5,200
151	K Ratan Tailor	1,800
152	Available	1,984
156	Weight Watchers	1,517
158	Planned Parenthood	999
168	Available Anchor	62,608



SITE PLAN



8235 Douglas Avenue, Suite 7  
Dallas, TX 75225

Phone: 214-378-1212  
Fax: 214-378-1713



**Council Agenda Item: #R5**

**SUMMARY:** Approval of a resolution authorizing the City Manager to enter into an agreement with ConsultEcon, Inc. to assist the Town in conducting a feasibility study of the proposed Cavanaugh Flight Museum expansion

**FINANCIAL IMPACT:**

Cost of the Feasibility Study (all three phases)	\$45,000
Expenses not to exceed	\$ 6,600
Total cost	\$51,600

A total of \$40,000 was provided in the proposed 2006 Marketing budget. At this point, staff believes that the additional \$11,600 can be absorbed in the Marketing budget; however, if that's not possible, staff will prepare a mid-year budget amendment to cover the additional funds.

**BACKGROUND:**

Council will recall that the Strategic Assessment report prepared by Museums+more LLC had a number of recommendations regarding the expansion of the Cavanaugh Flight Museum; the most important being that a detailed market analysis and economic impact study be conducted prior to proceeding further. Based on the report's recommendations, staff prepared a Request for Proposal. A total of three proposals ranging in price from \$48,000 to \$60,431 were received. Staff with input from Doug Jeanes of the Cavanaugh Flight Museum, Lary Brown with Museum Arts and Dave Ucko of Museums+more LLC reviewed the proposals. Based their input and staff review, staff is recommending that the Town contract with ConsultEcon, Inc. to provide the market analysis and economic impact.

Although all three proposals were very good, staff felt that ConsultEcon's proposal was the most thorough and responsive. In addition this is ConsultEcon's core business. The total cost for the project is \$51,600 and it is anticipated that the work would be completed within a 10 to 12 week period.

**RECOMMENDATION:**

Staff recommends approval.

AGREEMENT

STATE OF TEXAS

COUNTY OF DALLAS

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2005, by and between the Town of Addison, Texas ("**City**"), , and ConsultEcon, Inc., a \_\_\_\_\_ [type of entity and state of formation] ("**Contractor**") (the City and the Contractor are herein sometimes referred to together as the "**Parties**" and individually as a "**Party**").

Recitals:

1. The City is the owner of the Addison Airport ("**Airport**") located within the City.
2. The Cavanaugh Flight Museum ("**Museum**") is located on the Airport. The City and the Museum have had discussion regarding the development of an expanded and improved facility for the Museum at the Airport ("**Expanded Museum**").
3. In order to evaluate the feasibility of an Expanded Museum, the City issued a request for proposals for the provision to the City of a feasibility study regarding the Expanded Museum (form of Request for Proposals is attached hereto as Exhibit 1 ("Request for Proposals") and incorporated herein by this reference). Pursuant to the Request for Proposals, the Contractor submitted its proposal dated \_\_\_\_\_, 2005 to provide the services to the City (a true and correct copy of the Contractor's proposal is attached hereto as Exhibit 2 (the "Contractor Proposal") and incorporated herein by this reference. Contractor represents and warrants that it has the skills, qualifications, expertise, and experience necessary to perform the Services described in the Request for Proposals and herein.
4. The City desires to retain the services of Contractor to conduct a feasibility study regarding the operation and use of the Expanded Museum ("**Feasibility Study**"), and Contractor desires to provide such services to the City.

**Now, therefore,** for and in consideration of the mutual covenants set forth herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the City and Contractor agree as follows:

1. **Incorporation of Premises.** The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.
2. **Term.** Subject to the termination provisions of this Agreement, this Agreement shall be effective on the date the last of the Parties signs this Agreement ("**Effective Date**") and shall remain in effect until the acceptance by the City of the completed Feasibility Study.
3. **Services.**



A. Contractor shall provide to the City the services set forth in the Contractor Proposal ("**Services**"). The Services shall be provided and performed in a manner satisfactory and acceptable to the Town. The Services and work to be performed and provided by Contractor shall be provided in a manner consistent with all applicable standards, regulations, and laws governing the same.

B. Contractor shall fully and finally complete to the City's satisfaction the Services no later than the time period set forth in the Contractor Proposal.

C. It is understood by the City that Contractor can make no guarantees concerning the recommendations which will result from the Services provided pursuant to this Agreement, since these recommendations must be based upon facts discovered during the course of the study and those conditions existing as of the date of the work and the report provided hereunder.

D. In any use by the City of the Services and work provided by Contractor under this Agreement, Contractor is responsible in any future use of such Services and work only for its Services and work, and not for any other documents or offerings to which its work may be attached or in which its work may be referenced.

E. It is agreed by the City that the work prepared by Contractor pursuant to this Agreement is not to be used in conjunction with any public or private offering of debt or equity securities.

G. Contractor will provide, upon the completion of its Services, a written report to the City, including an "executive summary" of the report. The City agrees that, except for the executive summary (which may be presented or provided as a separate, stand-alone document), it will publish, present or provide the report to the public in its entirety; provided, however, that, with the consent of the Consultant (such consent not to be unreasonably withheld, conditioned, or delayed), the City may publish, present or provide excerpts or portions of the report to the public.

#### **4. Payment; Billing.**

A. For the Services provided by Contractor in accordance with the terms and conditions of this Agreement and subject to the termination provisions of this Agreement, Contractor will be paid the sum not to exceed \$51,600 (the "**Contract Amount**").

B. 1. The Contract Amount will be paid on a monthly basis as the provision of Services progresses, in accordance with the terms of this Agreement.

2. On or before the 10th day of each month while this Agreement is in effect, Contractor shall submit to the City a detailed statement of Services rendered and the amount owed in connection therewith (which amount shall be directly proportional to the Services provided as set forth in the monthly statement) ("**Statement**"); the Statement shall include the sum of all prior payments for the Services, and the cumulative amounts of payments shall not exceed the Contract Amount. In addition, each Statement shall include such additional documents, materials or information as the City may reasonably request.



3. Payment based upon each Statement will be made by the City within thirty (30) days of the City's receipt of the Statement.

4. Contractor shall not be entitled to any compensation for any Services or work not actually performed or for any lost profits as a result of any abandonment or suspension of work by the City.

**5. Termination.**

A. *Without cause.* Either Party may terminate this Agreement at any time by giving to the other Party at least 30 days written notice of such termination. Termination shall have no effect upon the rights and obligations of the Parties arising out of any transaction occurring prior to the effective date of such termination. In the event of termination or upon the expiration of this Agreement, all finished or unfinished data, studies, reports and other materials and items (whether kept electronically, in writing, or otherwise) prepared by Contractor shall be and become the property of the City and Contractor shall promptly deliver such items to the City.

B. *With cause.*

1. If (a) Contractor fails to perform Contractor's duties to the satisfaction of the City, or (b) if Contractor fails to fulfill in a timely and professional manner Contractor's obligations under this Agreement, or (c) if Contractor shall violate any of the terms or provisions of this Agreement (the said (a), (b) and (c) being referred to together in this paragraph as a "Failure"), or (d) if Contractor, Contractor's agents or employees fail to exercise good behavior either during or outside of working hours that is of such a nature as to bring discredit upon the City, as determined solely by the City, then City shall have the right to terminate this Agreement effective immediately upon the City giving written notice thereof to Contractor. Upon any termination, Contractor shall cease all work.

2. If City's termination of Contractor for cause is defective for any reason, including but not limited to City's reliance on erroneous facts concerning Contractor's performance, or any defect in notice thereof, City's maximum liability shall not exceed the amount payable to Contractor under Section 4 above.

C. Termination shall have no effect upon the rights and obligations of the Parties hereto arising out of any transaction occurring prior to the effective date of such termination. In the event of termination or the expiration of this Agreement, all finished or unfinished data, studies, reports and other items (whether kept electronically, in writing, or otherwise) prepared by Contractor shall be and become the property of the City and Contractor shall promptly deliver such items to the City.

D. In the event this Agreement is terminated in accordance with subsection A. or subsection B. above, Contractor shall be entitled to compensation for work properly performed to the date of termination.

6. **Relationship of Parties.** This Agreement to perform the Services set forth herein and the Parties' relationship hereunder shall not be construed to and does not create a partnership, joint venture, joint enterprise, or agency relationship between Contractor and the City, and



Contractor is and shall operate as an independent contractor and not as an agent of the City under or in connection with this Agreement.

7. **Notice.** For purposes of this Agreement, notices and all other communications provided for herein shall be in writing, addressed as provided hereinafter to the Party to whom the notice or request is given, and shall be either (i) delivered personally, (ii) sent by United States certified mail, postage prepaid, return receipt requested, (iii) placed in the custody of Federal Express Corporation or other nationally recognized carrier to be delivered overnight. Notice shall be deemed given: when received if delivered personally; seventy-two (72) hours after deposit if sent by mail; and twenty-four (24) hours after deposit if sent by Federal Express or other nationally recognized carrier. Addresses for notice are as follows:

<u>To the City:</u>	<u>To Contractor:</u>
Town of Addison, Texas 5300 Belt Line Road Dallas, Texas 75254 Attn: Lea Dunn	<u>ConsultEcon, Inc.</u> <u>24 Thorndike Street</u> Cambridge, Mass. 02141 Attn: Robert E. Brais

8. **Miscellaneous.**

A. The reports, documents, materials, and other information, in whatever form or format (including electronic format) prepared by Contractor hereunder is and shall be the sole property of the Town.

B. Contractor shall keep confidential all records, reports, information, documents, or other materials given to or prepared by Contractor under or in connection with this Agreement.

C. Contractor shall not and has not authority to assign, transfer, delegate, subcontract or otherwise convey any interest herein or the work or Services to be performed hereunder without the prior written consent of the Town, and any such assignment, transfer, delegation, subcontract or other conveyance without the Town's prior written consent shall be null and void.

D. The laws of the State of Texas shall govern and apply to the interpretation, validity and enforcement of the matters set forth herein; and, with respect to any conflict of law provisions, the Parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement. In the event of any action under this Agreement, venue for the same shall be instituted and maintained in Dallas County, Texas.

E. If any provision of the matters set forth here is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable, and this agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision is not a part hereof, and the remaining provisions hereof shall remain in full force and effect.

F. This Agreement and all of its terms and conditions are solely for the benefit of Contractor and the City and are not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

G. The undersigned officers and/or agents of the Parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the Parties hereto.

H. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by either Party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the Parties may have by law statute, ordinance, or otherwise. The failure by either Party to exercise any right, power, or option given to it by this Agreement, or to insist upon strict compliance with the terms of this Agreement, shall not constitute a waiver of the terms and conditions of this Agreement with respect to any other or subsequent breach thereof, nor a waiver by such Party of its rights at any time thereafter to require exact and strict compliance with all the terms hereof. Any rights and remedies either Party may have with respect to the other arising out of this Agreement shall survive the cancellation, expiration or termination of this Agreement.

I. For purposes of this Agreement, "includes" and "including" are terms of enlargement and not of limitation or exclusive enumeration, and use of the terms does not create a presumption that components not expressed are excluded.

G. The matters set forth herein constitute the entire agreement between Contractor and the City with respect to Contractor's Services described herein, supersedes all prior agreements, and may be amended only in writing.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives to be effective as of the Effective Date.

**TOWN OF ADDISON, TEXAS**

CONSULTECON, INC.

By: \_\_\_\_\_  
Ron Whitehead, City Manager

By: \_\_\_\_\_

ATTEST:

Printed/Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_  
City Secretary

**Town of Addison, Texas**

**Request for Proposal (RFP)**

**RFP 05-31 – Feasibility Study for the  
Cavanaugh Flight Museum**

**Proposals are due by 2:00 PM on August 9, 2005**





**FINANCIAL AND STRATEGIC SERVICES**

(972) 450-7089 – Facsimile (972) 450-7096

5350 Belt Line Road

Post Office Box 9010 Addison, Texas 75001

## **REQUEST FOR PROPOSAL**

The Town of Addison is accepting proposals from all interested parties for a feasibility study for the Cavanaugh Flight Museum

Proposal Number: 05-31

Proposal Name: Cavanaugh Flight Museum – Feasibility Study

Proposals Due: Tuesday, August 9, 2005 at 2:00 pm  
Office of the Strategic Services Manager  
Addison Finance Building  
5350 Belt Line Road  
Addison Texas 75254

Since DemandStar.com maintains the vendor files for the Town of Addison, proposers do not need to notify the Town if they do not intend to submit a proposal for this project. For vendors that would like to be removed from the bidder's list, please notify the Town of Addison in writing.

If you are not a member of DemandStar.com and wish to obtain a free copy of this proposal, you may pick up a copy at the Strategic Services Division, 5350 Belt Line Road, Dallas, TX 75254.

Late proposals will be returned unopened, and unsigned proposals will be rejected as non-responsive.

For questions concerning the proposal process, contact Shanna N. Sims, Strategic Services Manager, at 972-450-7089 or e-mail at [ssims@ci.addison.tx](mailto:ssims@ci.addison.tx). For questions concerning the specifications or the work to be performed, contact Lea Dunn, Deputy City Manager, at 972-450-7037 or e-mail at [ldunn@ci.addison.tx.us](mailto:ldunn@ci.addison.tx.us).



**SPECIFICATIONS FOR RFP 05-31  
FEASIBILITY STUDY FOR THE  
CAVANUGH FLIGHT MUSEUM**

**A. INTENT:**

The Town of Addison is requesting proposals for feasibility study for the Cavanaugh Flight Museum, RFP # 05-31.

**B. PURPOSE:**

The purpose of the feasibility study is to provide detailed market analysis and attendance estimates that address the financial feasibility of an expanded Cavanaugh Flight Museum following the Museums+more LLC recommendations (to be provided). This study should include a five-year operating pro-forma and business plan based on conservative projections and diversified sources of operating revenue. In addition, the study should include an analysis of the economic impact of the proposed expansion to Addison. The proposal should detail the timeline for completing the study and include the names and resumes of the individuals who will be performing the work.

**C. CONFIDENTIALITY:**

Proposers shall mark any information, which is a trade secret or confidential, as "CONFIDENTIAL" on each page. Pricing of goods and services is not considered as confidential information.

Proposals shall be opened so as to avoid disclosure of contents to competing proposers. The contents will not be disclosed during the process of evaluation, revision, and negotiation. All proposals shall be open to the public after contract award, except for information marked "confidential."

**D. TIMELINE FOR PROJECT:**

<b>Target Date</b>	<b>Description of Event</b>
July 15, 2005	Advertisement for RFP in local paper. Release RFP for distribution
August 9, 2005	Proposals due at 2:00 p.m. at the Addison Finance Building, 5350 Beltline Road, Dallas, TX 75254
August 23, 2005	Review recommendation with City Council and award contract

#### **E. CRITERIA FOR EVALUATION:**

A.	Demonstrated capability to perform all aspects of the project	20%
B.	Approach to conducting feasibility study	20%
C.	Current and recent projects completed within the past three (3) years comparable to proposed projects, which were accomplished by personnel still on the firm's staff.	15%
D.	Demonstrated ability to complete projects on schedule and within budget	15%
E.	Cost	10%
F.	Professional background and experience of key personnel	10%
G.	Management approach to projects	5%
H.	Locations of main office and/or branch office that will provide planning services.	5%

#### **F. ABOUT ADDISON AND THE CAVANAUGH FLIGHT MUSEUM:**

The Town of Addison is a progressive, business-oriented community that occupies 4.3 square miles north of Dallas. In addition to its 15,000 residents, Addison is home to approximately 10 million square feet of office space, more than 170 restaurants and 22 hotels that serve guests from the North Texas region and beyond. As a result, Addison is vitally interested in enhancing tourism and allocates funds from a hotel tax dedicated for this purpose; the tax currently generates \$3.4 million per year.

To support its restaurants and hotels, the Town offers a very active program of annual events that include the North Texas Jazz Festival (April), Taste Addison (May), Addison Kaboom Town! (July 3), summer events series (June-August), and Oktoberfest (September), in addition to a number of third-party events scheduled throughout the year. The events are presented in the Addison Arts and Events District, which features 10-acre Addison Circle Park and the 16,000 square foot Addison Conference and Theatre Center (home to the Waterpower Theatre), with adjacent parking. The events are organized by the Town staff of 250 based on the customer-focused "Addison way".

Occupying one-fourth of the Town, Addison Airport (ADS) is the busiest in Texas for general aviation and third busiest in the U.S., with nearly 500 operations per day on average. More than 700 aircraft are based on the field, which is owned by the Town and managed through a contract by Washington Staubach Addison Airport Venture (WS) since 2001. Airport tenants include both aviation service providers and aircraft owners.



The Cavanaugh Flight Museum ([www.cavanaughflightmuseum.com](http://www.cavanaughflightmuseum.com)) occupies approximately 50,000 square feet in four hangers at ADS. Opened in 1993, the Cavanaugh Flight Museum (CFM) showcases the outstanding aircraft collection of James Cavanaugh, founder and CEO of Jani-King International, the world's leading commercial cleaning franchise company, based in Addison. The collection consists of some 35 historic aircraft: most aircraft are from World War II, followed by the Cold War, plus several from World War I and general aviation. The focus is on "war birds" with combat history. Approximately 14 remain airworthy and are flown to air shows across the U.S. The aircraft are complemented by a 1,000 square foot aviation art collection and aviation artifacts.

The Town provides \$50,000 annually to the Cavanaugh Flight Museum to assist the Museum in their marketing efforts. These funds are used for promotional purposes and advertising special events hosted by the Museum, and are matched on a dollar for dollar basis. This partnership has been good because it not only increases attendance at the museum but it also increases the Town's exposure to the visitor market. Recently the Cavanaugh Flight Museum proposed to the Town a joint development of an expanded and improved facility. In response, the Town contracted with Museums+more LLC (M+m) to carry out a strategic assessment of the key issues, challenges and opportunities presented by the proposed museum. The purposes of the study were to enable the Town to establish realistic expectations of the potential benefits, along with accompanying risks and liabilities; to provide a framework and recommendations for making decisions about the prospect of taking CFM to the next level as an educational and cultural attraction; and to lay the groundwork for more detailed planning. The results of the strategic study were presented to the Town Council in May and the City Council authorized Town staff to proceed with a feasibility study.

## **G. PROPOSAL NARRATIVE:**

Your written narrative should address any criteria that are not obvious from the work submitted with the proposal, specifically:

- A. Which portions of the project will be performed "in house" by your employees or contract personnel and which portions will be performed "outside" by sub-contractors.
- B. What is your approach to this project or similar projects you have undertaken for others.
- C. What similar projects has your current staff worked on, over the past three years? For whom did you perform the work, what was the scope of the work, and who did the work?
- D. Provide contact names and phone numbers for individuals who can be contacted as references for the projects in "C", above.
- E. What is your total price for the feasibility study?

- F. Provide brief resumes of those who will be involved in our project and the approximate percentage of the total man hours each will contribute.
- G. What will be management's involvement in the project?

The proposal must be **signed by a principal** who is authorized to commit your company to the offer of services and prices set forth in your proposal.



## **INSTRUCTIONS TO PROPOSERS**

### **1.0 RECEIPT AND PREPARATION OF THE PROPOSAL**

- 1.1 **Five (5) copies** of a sealed proposal should be delivered to the Strategic Services Division in the Finance Building of the Town of Addison located at 5350 Belt Line Rd., Addison, TX 75240 by 2:00 p.m., August 9, 2005. Proposals must be received by the specified time in order to be considered, and proposals submitted after this closing time will not be considered and will be returned unopened.
- 1.2 Each proposal shall be enclosed in a sealed envelope, addressed to the Strategic Services Manager, Town of Addison, P.O. Box 9010, Addison, Texas, 75001. Proposals must be labeled in the lower left-hand corner with the Proposal Number and Name (RFP 05-31 Feasibility Study for Cavanaugh Flight Museum). Proposers must also include their company name and address on the outside of the envelope.
- 1.3 Proposers are responsible for making certain proposals are delivered to the purchasing division. Mailing of a proposal does not insure that the proposal will be delivered on time or delivered at all. If proposer does not hand deliver the proposal, it is suggested that he/she use some sort of delivery service that provides a receipt.
- 1.4 Proposals may be withdrawn prior to the above scheduled time set for closing of the proposals. Any proposal received after the time and date specified shall not be considered.
- 1.5 The Town reserves the right to request additional information or to meet with proposers to discuss points in the proposal before and after submission, any and all of which may be used in forming a recommendation.
- 1.6 The Town reserves the right to reject any all proposals, to waive any non-material irregularities in any RFP, and to accept or reject any item or combination of items. The Town of Addison reserves the right to postpone the date and time for sealed proposals through an addendum.

### **2.0 ADDENDA AND EXPLANATIONS**

- 2.1 Proposers having any questions regarding the true meaning of the specifications or terms and conditions shall submit these questions to the Purchasing Coordinator. Any and all interpretations or supplemental instructions, which, if issued, will be posted on the Town's website, e-mail and faxed to all prospective proposers. A copy of all addenda issued must be signed and returned with your proposal. The Town of Addison is not responsible for making sure all vendors are notified of addendums. Please check the Town of Addison's website to see if an addendum has been issued

### **3.0 TAXES**

- 3.1 All proposals are required to be submitted without State Sales tax. The Town of Addison is exempt from payment of such taxes and a Tax Exemption Certificate will be executed for the successful bidder.

#### **4.0 SCOPE OF WORK**

- 4.1 The work under this contract shall consist of the items or services contained in the proposal, including all materials, equipment, labor and all other items necessary to complete said work in accordance with the contract documents.

#### **5.0 EXAMINATION OF CONTRACT DOCUMENTS**

- 5.1 Before submitting a proposal, each proposer must thoroughly examine the contract documents to ensure that the services you are proposing meets the intent of these specifications.
- 5.2 The Town of Addison is not responsible for incomplete proposal packets.
- 5.3 Proposers are instructed to return all pages of the proposal packet that contain written responses.

#### **6.0 BIDDING**

- 6.1 Proposers are instructed to consider the following factors in preparation of your proposal:
  - a. Proposals shall remain firm for a period of 60 calendar days after the scheduled bid opening.
  - b. Exceptions to any specifications, or part thereof, must be clearly stated and included with your Proposal Form.
  - c. Proposers are instructed to include all necessary charges, related to this contract.
  - d. All costs incurred in responding to the RFP shall be the responsibility of the entity submitting the proposal.
  - e. The contract will be governed by the laws of the State of Texas. Venue shall be exclusively in Dallas County.

#### **7.0 AWARD OF CONTRACT**

- 7.1 The Town of Addison reserves the right to reject any or all proposal, reject any particular item on a proposal and to waive immaterial formalities. The contract will be awarded to the lowest responsible proposer whose proposal is most advantageous to the city, price and other factors considered.
- 7.2 Award will be based upon an analysis of the following criteria: Bidders ability to produce the goods or services requested, performance on similar contracts, and an evaluation of the bidder's understanding of the purchaser's needs. To demonstrate bidder's qualifications to perform the work, each bidder must submit with their bid, five (5) customer references for similar projects, including name of customer, telephone number and individual to contact.
- 7.3 The "Agreement" if furnished by the proposer, is subject to review and acceptance by Addison City Attorney. The proposer shall submit a copy of its written agreement as part

of its proposal. The contract will provide that the Town reserves the right to cancel any agreement, at any time, upon sixty (60) days written notice of its intent to terminate the agreement

7.4 The anticipated start date is as soon as practical after the bid is awarded.

## **8.0 NON DISCRIMINATION POLICY**

8.1 It is the policy of the Town of Addison to afford all people an equal opportunity to bid or propose on any contract being let by the Town.

8.2 The Town of Addison has a policy that prohibits discrimination against any person because of race, color, sex, or national origin, in the award or performance of any contract.

8.3 The Town of Addison will require its employees, agents, and contractors to adhere to this policy.



**Museums+*more* LLC**

**Aviation Museum  
Strategic Assessment**

for

**Town of Addison, Texas**

April 2005

**Aviation Museum Strategic Assessment**  
for Town of Addison, Texas  
by Museums+more LLC

Final Report  
April 2005

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## Executive Summary

**Situation.** The Cavanaugh Flight Museum (CFM) has proposed to the Town of Addison a Term Sheet for the joint development of an expanded aviation museum. To obtain professional guidance, Addison has contracted with the consulting firm Museums+more LLC (M+m) to carry out a strategic assessment of the key issues, challenges, and opportunities presented by the proposed museum. The purposes of this study are: to enable Addison to establish realistic expectations of the potential benefits, along with accompanying risks and liabilities; to provide a framework and recommendations for making decisions about the prospect of taking CFM to the next level as an educational and cultural attraction; and to lay the groundwork for more detailed planning.

In preparing this study, M+m interviewed key stakeholders, visited aviation museums in the D/FW metroplex, obtained comparative data from other aviation museums nationally, and carried out additional research. The following is a summary of the findings.

**Conclusions.** It is not likely that Addison would create a museum based primarily on military aircraft if none existed today. However, the Town is home to the outstanding CFM collection and would derive benefits from a potential museum expansion, assuming that it is carried out based on the advice offered in this report. Taking all factors into account, it is the recommendation of this analysis that Addison proceed to the next stages of decision-making and planning, as further described.

A renewed museum will provide another reason to visit or stay in Addison. If properly executed, the facility should increase the numbers of regional and out-of-town visitors and lengthen stay time of existing visitors through museum visits and synergies with the Arts and Events District. It should produce a net positive economic impact on the Town, its restaurants, hotels, and other businesses that serve the public. Addison Airport should benefit as well as a result of increased numbers of general aviation visitors attracted by the programs, along with the possibility of a mid-range restaurant or even a boutique hotel.

On the other hand, creating an expanded museum facility is a complex project that should not be lightly undertaken. Many museums today are struggling financially and reassessing their roles for the 21st century. The recommended planning steps would address these concerns by managing the financial and public relations risks.

**Strategic Niche.** One of the most critical recommendations is to broaden the CFM scope in order to expand its audience beyond the limited number of “war bird” enthusiasts and differentiate itself from the other aviation museums in the region, such as the American Airlines C.R. Smith Museum, Frontiers of Flight Museum (FOFM), and Vintage Flying Museum. The proposed expanded focus is to engage visitors in the experience of flight, taking full advantage of the location on Addison Airport, third busiest general aviation airport in the nation and busiest in Texas. CFM must visually open onto the airport (unlike FOFM at Love Field), allowing visitors to observe aircraft take-off and land



during the nearly 500 flight operations daily. By adding general aviation to its scope, CFM can become a “working,” rather than static, museum. Instead of the typical “looking from the outside-in” approach of museums, it can offer an “insider” view of aviation that is more dynamic and less common.

From an exhibition standpoint, this approach could be enhanced by a thematic focus on flight training. That theme would let visitors engage in the process of preparing for flight, taking off, flying, and landing through interactive exhibits, along with flight training simulators and motion simulators. Interpretation can be further enhanced through immersive environments and visitor-accessible cockpits. Existing aircraft can support this approach by dramatically illustrating the history and technology in themed hangars from the World War II and Cold War eras. Thus the experience of flight will be exemplified through actual flights, observation, hands-on experiences, simulation, and historic collections. These activities can stimulate an interest in flying as well as in the science and technology that make human flight possible. Through this broadened focus, CFM can create an expanded niche complementary to the other aviation museums in the region.

*Additional Recommendations.* Among the most important recommendations made for the development of CFM are:

- CFM should seek a site at Addison airport within walking distance of the Arts and Events District to gain the advantages of audience access, shared parking, and shared use of existing facilities.
- The CFM board should be diversified by recruiting new members strategically from the community.
- CFM should diversify its revenue stream through increased public funding, the return from an endowment, and additional sources of earned income.
- As part of an expansion program, Addison should consider increasing the amount of annual CFM funding towards the range of public funding for other museums of this type (20 to 25% of operating budget).
- A lead gift by Mr. Cavanaugh (which could incorporate endowment) should be pursued to set the standard for a capital campaign and to open the door to contributions by other donors.

*Term Sheet Analysis.* CFM proposed a 100,000 sq ft museum facility, roughly a doubling of its current space and a reasonable starting point for discussion, along with a 30,000 sq ft hangar for maintenance and restoration. Before initiating actual architectural or exhibition design, detailed facility requirements should be determined through a planning process that includes development of:

- Preliminary conceptual plans for museum exhibits and programs;
- Space use analysis based on programmatic and facility requirements;
- Site plan and analysis, including parking;
- *Pro-forma* operating budget (based on conservative attendance and earned revenue projections);
- Capital campaign budget (based on fundraising feasibility).



The steps in the development process should follow those normally used by Addison in managing complex projects; one or more of its staff should be part of the planning team.

Although the Term Sheet contemplates that the Town be responsible for paying the capital and all unfunded operating costs for the Museum, Addison should pursue the more typical arrangement in which a public entity contributes a portion of the operating budget, a portion of the capital costs, and donates land or charges a nominal rent.

Next Steps. The following next steps are proposed:

1. Negotiation with CFM. Recommendations in this analysis differ in several material respects from the Term Sheet proposed by CFM. Agreement must be reached by Addison and CFM over major issues, including extent of public funding for capital and operating costs, willingness of CFM to expand its board membership, and level at which Mr. Cavanaugh intends to contribute towards a capital campaign, annual fund, and endowment. A revised Term Sheet satisfactory to both parties must be the outcome of these discussions.
2. Feasibility Study. Detailed market and attendance estimates must be developed, along with a business plan based on conservative projections and diversified sources of operating revenue. A specialized firm can be retained to carry out this step in about three months. Approximate costs for a market study are \$25,000 plus \$10,000 for an operating plan. Addison may also wish to consider obtaining a study of the economic impact of the expansion (approx. \$10,000).  
To accelerate the process, Step 2 could be carried out in parallel with Step 1. Although doing so increases the initial outlay by Addison before assurance of an agreement, the study will more sharply define the financial parameters of future CFM operations that can inform Term Sheet negotiations.
3. Master Planning. The programmatic focus for CFM must be developed and agreed upon, whether along the lines proposed here or in alternative directions. The planning should include development of a conceptual plan for museum exhibits and programs; space use analysis based on programmatic and facility requirements; site plan and analysis, including parking; and a capital campaign budget. This process should involve both an exhibit design firm and museum planning consultant. The duration and cost for this step are best determined after the scope of the project has been defined in Steps 1 and 2.

These initial planning steps should take place prior to beginning formal architectural or exhibition design. Although they add little to the final cost, these critical steps often do not receive sufficient attention, leading to projects that later require expensive modification or do not fulfill their expected potential. Architectural design often begins too early in the process. A thoughtfully developed program including financial feasibility and initial exhibit plans must guide facility design and provide a firm groundwork for successful implementation and operation.



## Summary of Key Issues and Recommendations

*Note:* Priorities for recommended actions and issues to be decided are indicated as 1 (highest), 2, and 3.

### Strategic Niche and Approach

To increase its impact, CFM should extend its scope beyond military aircraft to engage visitors more broadly in the experience of flight. [1]

### Audience and Marketing

A detailed feasibility study should be carried out to provide specific attendance projections that can be used for developing conservative *pro forma* operating budgets for the first five years of operation. [1]

A marketing plan must be created with specific plans for targeting each audience segment; special attention should be given to attracting and serving the needs of the region's rapidly growing Hispanic population. [3]

### Site and Facilities

The design of any new facility should open onto the airport, allowing visitors to watch the aircraft take-off and land. [2]

As part of site determination, a decision must be made whether to keep a hangar at the current location for restoration work and storage or to obtain or build one that is adjacent to the new facility, where visitors may be observers. [2]

The new CFM site should be within walking distance of the Arts and Events District to gain the advantages of audience access, shared parking, and shared use of existing facilities. [2]

CFM must carefully decide whether any aircraft are to be suspended, since doing so will create additional structural and engineering requirements. [2]

Airport security issues, such as transition from visitor areas to the working airport, will have to be addressed with ADS. [2]

### Exhibits

The development of engaging visitor experiences should be informed by front-end research and a design charrette. This planning process should culminate in a program master plan for the new facility. [2]



As one possible organizing theme, exhibits could be integrated within a Flight Training Academy, which would prepare visitors for taking off, flying, and landing. [2]

The working airport should be the largest CFM “exhibit.” A Control Tower observation area for visitors should be created or reconstructed using the old Addison tower. [2]

### Collections

The CFM aircraft collection can be displayed theatrically and interpreted in themed hangars from World War and the Cold War eras. [2]

CFM should explore acquiring a very large aircraft (such as a B-36), which would create an icon for the museum but also bring significant space (and potentially, structural) requirements. [2]

CFM will need to designate a core group of permanent aircraft, as well as the capability for others to participate in air shows without detracting from the visitor experience. [2]

### Educational Programs

CFM should develop targeted programmatic activities that attract and educate public and school group audiences. [3]

CFM should develop air shows, from small to large, and demonstrations to attract new and repeat visitors. [3]

CFM may wish to explore incorporating pre-packaged programs, such as the Challenger Learning Center, which has potential for corporate team building programs. [3]

CFM should pursue programmatic partnerships that leverage its limited resources. [3]

### Governance

The CFM board should be diversified by recruiting new members strategically from the community. [2]

### Museum Operations

CFM will need to add complementary staff functions, such as education, exhibits maintenance, public relations/marketing, and development (fundraising and membership) and undergo organizational transformation. [2]

CFM should explore contracting with Addison for administrative services, such as finance and human resources; marketing and public relations; facility maintenance; and security. [2]

Increased numbers of air shows and other flight activities will require coordination with ADS to minimize disruption of airport operations. [3]

### Finance

CFM must diversify its revenue sources to include increased public funding, return from an endowment, and increased earned income. [1]

As part of an expansion program, Addison should consider increasing the amount of annual funding for CFM towards the range of public funding for other museums of this type (20 to 25% of budget). [1]

CFM should guide expansion of its retail operation using data from the Museum Store Association; outsourcing this function should be considered. [2]

CFM should explore the financial feasibility of establishing a mid-price restaurant, and possibly a themed boutique hotel. [2]

CFM should consider increasing the number and size of fee-based flights, as well as the financial and operational aspects of offering an airplane washing service. [2]

After the museum program has been established, CFM should carry out a pricing study to determine admission charges. [3]

### Development

A lead gift by Mr. Cavanaugh (which can incorporate endowment) should be pursued to set the standard for a capital campaign and to open the door to contributions by other donors. [1]

The need for retaining fundraising counsel and conducting a feasibility study will be determined by the extent of commitment by Mr. Cavanaugh and Addison towards the capital campaign. [1]

For long-term viability, CFM will need to establish a diversified base of private contributions (individuals, foundations, corporations) from which to raise annual and capital funds and grow an endowment. [2]

### Analysis of Term Sheet

Although the Term Sheet contemplates that the Town be responsible for paying the capital and all unfunded operating costs for the Museum, Addison should pursue the more typical arrangement in which a public entity contributes a portion of the operating budget, a portion of the capital costs, and donates land or charges a nominal rent. [1]



The steps in the museum development process should follow those normally used by Addison in managing complex projects; one or more of its staff should become part of the planning team. [1]

Before initiating architectural or exhibition design, the planning process should include development of preliminary conceptual plan for museum exhibits and programs; space use analysis based on programmatic and facility requirements; site plan and analysis, including parking; pro-forma operating budget; capital campaign budget. [1]

The CFM request for adjacent hangar space for the Jani-King Aviation Department should be considered as part of the overall business arrangement. [2]

The request for an F-104 or other aircraft on a pedestal at the museum entry should be considered during the architectural planning and costing for the facility. [2]



## Background

Addison is a forward-looking business-oriented community that occupies 4.3 sq mi north of Dallas. In addition to its 15,000 residents, Addison is home to some 10 million sq ft of office space and more than 170 restaurants and 22 hotels that serve guests from the North Texas region and beyond. As a result, Addison is vitally interested in enhancing tourism and allocates funds from a hotel tax dedicated for this purpose; it currently generates \$3.4 million per year (down from \$6 million prior to 9-11).

To support its restaurants and hotels, the Town offers a very active program of annual events that include Taste Addison (May), Addison Kaboom Town! (July 3), and Addison Oktoberfest (September), as well as the North Texas Jazz Festival (April), ArtFest (May), and Shakespeare Festival (June), in addition to third-party events. They are presented in the Addison Arts and Events District, which features 10-acre Addison Circle Park (“a conference center without a roof”) and the 16,000 sq ft Addison Conference and Theatre Center (home to WaterTower Theatre), with adjacent parking. The events are organized by the Town staff of 250 based on the customer-focused “Addison way.”

Occupying one-fourth of the town, Addison Airport (ADS) is the busiest in Texas for general aviation and third busiest in U.S., with nearly 500 operations per day on average. More than 700 aircraft are based on the field, which is owned by the Town and has been managed through a contract to Washington Staubach Addison Airport Venture (WS) since 2001. Airport tenants include both aviation service providers and aircraft owners.

The Cavanaugh Flight Museum ([www.cavanaughflightmuseum.com](http://www.cavanaughflightmuseum.com)) occupies approx. 50,000 sq ft in four hangars at ADS. Opened in 1993, CFM showcases the outstanding aircraft collection of James Cavanaugh, founder and CEO of Jani-King International, the world's leading commercial cleaning franchise company, based in Addison. The collection consists of some 35 historic aircraft: most aircraft are from World War II, followed by the Cold War, plus several from World War I and general aviation. The focus is on “war birds” with combat history. About 13 to 14 remain airworthy and are flown to air shows across the U.S. The aircraft are complemented by a 1,000 sq ft aviation art collection and aviation artifacts.

CFM has proposed to Addison joint development of an expanded and improved facility. In response, Addison entered into a contract on August 30, 2004 with Museums+more LLC (M+m) to carry out a strategic assessment to provide professional guidance for making critical planning decisions regarding this potential new aviation museum facility.

## Process

Following an initial orientation in Addison (June 30, 2004), M+m gathered further information through research and subsequent visits (August 10 and 11; September 13). During these trips, M+m president David Ucko interviewed key stakeholders and carried out aviation museum site visits:



- Town of Addison: Ron Whitehead, City Manager; Lea Dunn, Deputy City Manager; Bob Phillips, Director of Visitor Services
- Cavanaugh Flight Museum: Doug Jeanes, Museum Director; Kevin Raulie, Assistant Director
- Addison Airport: Darci Neuzil, Deputy Director
- American Airlines C.R. Smith Museum: Gloria Randles, Museum Administrator
- Frontiers of Flight Museum: Dan Hamilton, Director
- Vintage Flying Museum: Kate Cognale, Volunteer

On these visits, he was accompanied and assisted by Lary and Tery Brown of Museum Arts, a Dallas-based firm that specializes in the planning, design, fabrication, and installation of interpretive exhibits.

In addition to museums in the Dallas-Fort Worth (D/FW) metroplex, data for comparison purposes was gathered from the Lone Star Flight Museum in Galveston, TX, Cradle of Aviation Museum in Garden City, NY, and Air Zoo in Kalamazoo, MI. This data, along with information from the American Association of Museums (AAM) and Association of Science-Technology Centers (ASTC), was used to analyze key parameters for the current CFM and its potential expansion.

The following sections are based on the knowledge gained through this process and the museum experience of M+m. They identify the key issues, challenges, and opportunities presented by the proposed CFM development. Their intent is to help Addison establish realistic expectations concerning the potential benefits, along with accompanying risks and liabilities. They provide a framework and recommendations for making decisions about the prospect of taking CFM to the next level as an educational and cultural attraction. It is designed to lay the groundwork for more detailed planning.

### Environmental Scan

Aviation is vital to North Texas. In fact, the North Texas Commission identified the region as the "World Center of Aviation" at its 2002 annual meeting based on the following characteristics:

- The leading aviation businesses and airports in the metroplex contribute more than \$23 billion annually to the economy.
- More than 1,300 aviation-related businesses call North Texas home—more than in any other area of its size in the world.
- More than 181,000 jobs in the North Texas region are aviation-related.
- The aviation industry pays more than \$5 billion annually in salaries in North Texas.

In addition, the D/FW region played an important historic role supporting aviation during World War II.

Not surprisingly, the D/FW metroplex includes other aviation museums: American Airlines C.R. Smith Museum, Frontiers of Flight Museum, and Vintage Flying Museum. At very different stages of institutional development, these three museums display aircraft and exhibits that overlap to varying degrees with CFM. They provide both



potential competition as well as opportunities for collaboration. Appendix A provides an overview of each, along with identification of related museums in the region.

Nationally, aviation museums fill a tiny niche: approximately 360 out of some 16,000 museums overall. They vary tremendously in size, focus, and operations, ranging from all-volunteer organizations with minimal budgets to large institutions with over 500 staff and budgets in excess of \$100 million. To provide a context for assessing the present CFM and its potential expansion, data about facilities, attendance, staffing, and finances was obtained from a variety of other aviation museums. In addition to the Cavanaugh Flight Museum, American Airlines C.R. Smith Museum, and Frontiers of Flight Museum, institutions that generously shared information were: Air Zoo (Kalamazoo, MI), Cradle of Aviation Museum (Garden City, New York), Lone Star Flight Museum (Galveston, TX). Appendix B presents a summary and analysis of this comparative data.

Another way to analyze CFM is by comparison with results from a recent national survey by AAM. From that data, the median U.S. museum has the following characteristics. (Figures in parentheses are the median values specifically for mid-size museums.)

	<i>AAM</i>	<i>CFM</i>
Annual operating income	\$756,600	\$1,506,198
Staff & volunteers	7 FT, 5 PT, 60 vol.	9, FT, 3 PT, 40 vol.
Facility size	22,000 sq ft	57,600 sq ft
Visitors per year	40,185 (25,519)	25,248
Cost per visitor	\$21.45 (\$17.74)	\$62.18
Earned income per visitor	\$5.61 (\$4.04)	\$20.54
Dollars raised per visitor	\$5.08 (\$3.93)	\$37.14

Compared to these medians, CFM currently has higher operating income, a slightly greater staff, a considerably larger facility, fewer visitors per year, a much higher cost per visitor, much greater earned income per visitor, and much greater funds raised per visitor. See Appendix B for further discussion of each attribute.

The sections that follow in this report will build on the comparative data to provide recommendations for directions and issues raised by the potential expansion of CFM.

### Strategic Niche

CFM has done well serving aviation enthusiasts interested in historic “war birds.” As one indication, it is given four and one-half stars (out of five) by visitors to the Aviation Enthusiast Corner web site ([www.aero-web.org/museums/tx/cfmtx.htm](http://www.aero-web.org/museums/tx/cfmtx.htm)). The following is a sample comment from an Australian visitor:

We traveled extensively on our holiday in the U.S and visited many museums. It was a pity we went to Cavanaugh first because it set the standard and nothing came close. The staff were very friendly, the aircraft are immaculate and the whole experience was fantastic. We have since recommended to friends to visit on their holidays and they were equally impressed. Easily a world-class museum and we'll be back to visit again.



For CFM to increase its impact, however, it must expand its scope beyond military aviation and differentiate itself from other museums, at least in the region. This approach was also a strategy of FOFM, which decided to choose aviation history as its primary focus. CFM can leverage its relationship with Addison Airport to pursue another direction: *to engage visitors in the experience of flight*.

As noted previously, CFM is located at one of the busiest general aviation airports in the nation, with some 170,000 flight operations per year. Any new CFM facility must visually open onto the airport, allowing visitors to watch these aircraft take-off and land. Other local aviation museums are not designed to offer visitors this special experience.

Visitors to CFM can also choose to experience flying first-hand through the program of flights on its historic aircraft. Only a relatively small number can participate directly. Nevertheless, other visitors should be allowed to watch the preparation as well as the flights themselves so they can participate vicariously. Also, this program could potentially be expanded with additional staff and possibly partnership with the Civil Air Patrol. It may also be possible to partner with businesses that offer various other types of flight experiences to visitors.

By adding general aviation to its scope, CFM becomes more of a “working” rather than static museum of aircraft. Instead of the typical looking from the outside-in approach of museums, it offers an “insider” view of aviation that is active, dynamic, and more unusual.

From an exhibition standpoint, this approach could be enhanced by a thematic focus on flight training. That theme can follow the process of preparing for flight, taking off, flying, and landing. It can be interpreted through hands-on exhibits, as well as flight training simulators and motion simulators. Comparisons can be made between small and large planes, gliders, helicopters, and even hot air balloons. Interpretation can be enhanced through immersive environments and visitor-accessible cockpits. This approach will be described further in sections to follow.

Of course, CFM also has an outstanding collection. These aircraft illustrate the application of aviation principles and experiences at key times in the history of our nation. The emphasis on World War II is fitting, since that was the first time in which aviation played a critical role in combat. Also, planes from that era are closer to those still used in civil aviation than the larger and more sophisticated military aircraft of today.

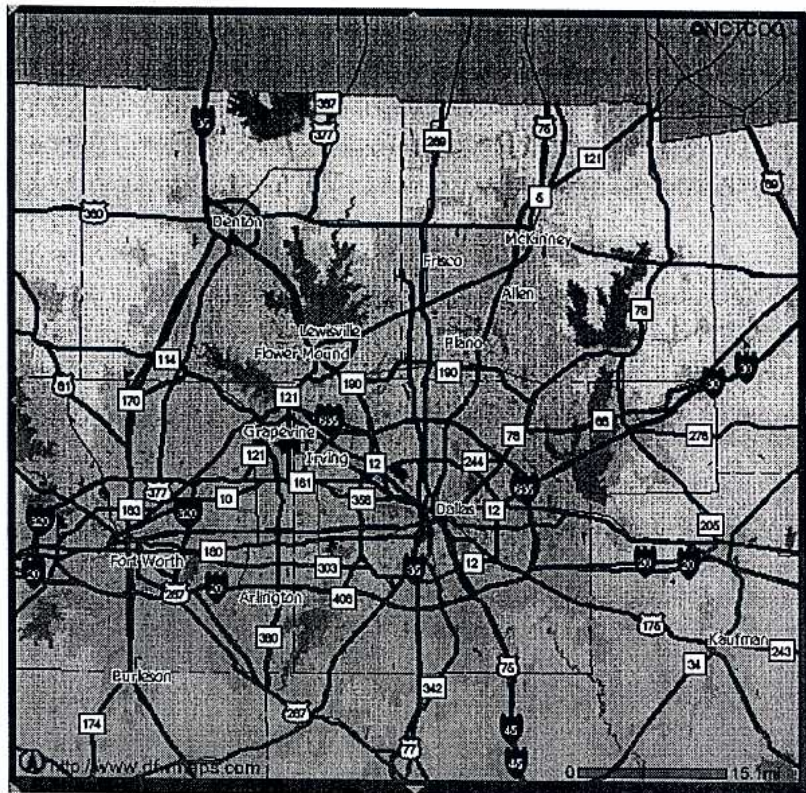
In these ways, the experience of flight will be exemplified through actually flying, observation, hands-on experiences, simulation, and historic collections. The activities can stimulate an interest in flying as well as in the science and technology that make human flight possible. Through this focus, CFM can create an expanded niche that will be complementary to the other aviation museums in the region.



## Audience and Marketing

With limited promotion and a location that is somewhat difficult to find, CFM currently attracts some 25,000 to 30,000 visitors per year, mostly families on weekends. Should the CFM scope be broadened as suggested, its audience can increase significantly beyond "war bird" enthusiasts. For this discussion, the audience will be segmented into area residents, primarily families and school children, and out-of-town tourists.

The primary market, trade, or catchment area is the region from which most resident visitors will be drawn. Generally, three-fourths or more of these visitors live within a radius of 50 miles or less. The following map approximately illustrates that region:



Fortunately from the perspective of drawing power, Addison has become more central in the D/FW metroplex as a result of regional growth patterns. As a first approximation, the metroplex in general can be considered the primary catchment area for local visitors. With a population of more than 5.5 million, it is one of fastest growing regions in nation, demonstrating a growth rate of 29% in last decade. Educational attainment (age 25+): BA degree+ 28.4%, a strong predictor of museum attendance, is above the national average (24%). Within the metroplex, primary target audiences are the northern half of Dallas County and the southern portions of Collin and Denton Counties.

Although small in size, the adjacent Addison market is vital in other respects. It is the local community served by CFM and must feel ownership of the expanded facility, particularly if city funds are involved. Because this market is even more highly educated (44% bachelor's degree or higher), it is more likely to support CFM and bring out-of-



town visitors. CFM should find creative ways to engage more closely with its community, consistent with the AAM Museums and Community Initiative; further information can be found at [www.aam-us.org/initiatives/m&c/index.cfm](http://www.aam-us.org/initiatives/m&c/index.cfm) and in *Mastering Civic Engagement: A Challenge to Museums*. Washington, DC: AAM, 2002.

During weekdays, Addison serves the needs of business visitors through its hotels, restaurants, retail, and entertainment venues. This market offers relatively little synergy with CFM other than facility rental, which is discussed later. During the daytime on special event days and weekends, however, Addison attracts regional families to “the place fun calls home” with the reputation of being safe and family-friendly. An enhanced CFM, particularly were its new location in walking distance from the Arts and Events District, would likely strengthen the draw and lengthen stay time during events. By working with the Addison hotels, CFM could develop a marketing package that includes an overnight stay, admission, and other benefits to attract families from outside the area. Addison currently provides marketing support for CFM; further integration within existing marketing and promotion efforts, including packages with the other local aviation museums, can create synergies among the attractions.

Currently CFM serves few school groups. A renewed facility with greater emphasis on educational experiences is likely to attract more school groups if marketed to teachers and school districts. The most common grades served by field trips are third through sixth, when it is easiest for classes to spend a portion of the day away from school. However, the increased emphasis on standardized testing and the decrease in funding for bus transportation are resulting in fewer field trips in general. Also, the number of school groups in the region is limited, and CFM will be competing directly with CR Smith, FOEM and all the other regional museums and attractions. Because schools have limited funds for trips, fees are modest, and visits typically require some form of subsidy. Nevertheless, because CFM can provide valuable educational services and encourage pursuit of aviation careers, teachers in the region should definitely be given opportunities to learn about CFM offerings and to bring their classes.

In addition to serving regional audiences, CFM will be better positioned to attract and capture a higher percentage of out-of-town tourists. Texas provides an attractive picture for tourism. It was the destination for 133.7 million domestic leisure travelers in 2003 (108 million Texan, 25.7 million non-Texan), in addition to 55.1 million business travelers. The state has experienced an upward trend in tourism during the past decade compared to no growth nationally. 52% were day-trips, while the remaining included stays for one or more nights. The greatest numbers of trips (61%) are between 50 to 200 miles; the distances traveled are trending shorter. Research gathered by the Office of the Governor and Texas Economic Development and Tourism Department (2002) shows:

- Texas ranks second behind California as a pleasure travel destination for U.S. residents.
- Tourism is the third largest industry in the State, generating \$41.4 billion in tourist spending.



- Tourism directly supported over 450,900 jobs with an annual payroll of \$11.9 billion; total tax impact (local, state and federal) of visitor spending was \$2.8 billion.

The Dallas/Fort Worth area in particular is the number one tourist destination in Texas and generates one-third of all tourist spending for the state. Dallas has about six million and Fort Worth two million leisure traveler days annually. [Note: As of 2004, the Metropolitan Statistical District (MSD) for the metroplex now encompasses Dallas-Fort Worth-Arlington, and is broken down into two separate Metropolitan Districts (MD): Dallas-Plano-Irving and Fort Worth-Arlington.] Attracting tourists requires appropriately targeted promotion and marketing, which can be costly. Texas Tourism (Office of the Governor, Economic Development and Tourism) offers cooperative advertising programs in which the state shares a portion of the cost.

If Addison makes the decision to move ahead, a detailed feasibility study should be carried out to provide specific attendance projections that can be used for developing conservative *pro forma* operating budgets for the first five years of operation. These attendance estimates will depend on the ultimate size and program of the new CFM and the effectiveness of the marketing effort, in addition to the demographics of the resident and tourist audiences. Market testing and focus groups will be needed prior to exhibit development as part of "front-end" research to understand the needs and interests of the target audiences and to begin testing initial concepts to obtain feedback to inform exhibit development. CFM will need to develop a "brand" that reflects its new expanded focus; it may even wish to consider changing its name to place greater emphasis on the experience of flying, keeping Cavanaugh Flight Museum as the secondary name. A marketing plan must be created with specific plans for targeting each audience segment (families, school children, teens, adults, seniors, etc.); special attention should be given to attracting and serving the needs of the region's rapidly growing Hispanic population (22%, approximately twice the U.S. average).

### Site and Facilities

Proper positioning on the Addison Airport will be a key factor in the success of a new CFM facility. The site should be selected to provide visitors with unobstructed visual access to planes landing and taking off, as well as physical access to the runway for CFM flights. The building on the site should also be as prominently visible as possible to serve as a visually exciting (and potentially dynamic) attractor to the public from Addison Road or other thoroughfares and from the Arts and Events district, if possible.

Possible sites exist at the southeast corner of ADS, where the two Collins hangars and the T-hangars are now located. Alternate hangars would be needed for existing tenants who would be displaced. At the same time, CFM would be vacating hangars that it currently rents on the field, potentially freeing up space for other tenants. It will need to decide whether to keep a hangar at the current location for restoration work and storage or to obtain or build one that is adjacent to the new facility, potentially allowing visitor observation of these activities.



Of course, plans for CFM and timing of their implementation must be integrated with the Addison Airport Master Plan, particularly the intermediate-term landside development portion. Since others on the airport will be affected by these decisions, they should be kept informed about the possible options, and the process should be conducted openly. Airport meetings and publications should be used as vehicles for sharing information and obtaining feedback.

The size of the site will be determined by both the initial programmatic requirements of the new facility and the capital funding available. The site must allow for facility expansion over time. As part of the feasibility study, operating costs of the new facility, especially the numbers of permanent staff required, must be balanced conservatively by revenue projections.

In addition to the typical indoor functions, a program for outdoor activities should be planned, including exterior space from which the runway can be viewed by visitors and by those attending special events after hours. Access will be needed for visitor flights on CFM aircraft or those provided by others, such as the Civil Air Patrol. Adjacent space for tie-down of visiting aircraft would be valuable. Creating nearby space for an airplane washing service would provide another interesting activity for visitors to watch.

As noted, a critical requirement for the building itself is to open visually onto the field. If the building is properly designed, the airport itself should become CFM's largest and most dynamic "exhibition." To enhance this role, CFM should explore obtaining and reusing the upper level of the old Control Tower after it is replaced. The new National Air and Space Museum facility adjoining Dulles Airport created an observation tower that has become one of its most popular attractions.

Site location within walking distance from the Arts and Events District would provide numerous advantages. One is access to large numbers of family visitors attending daytime special events who may wish to extend their stay or to decide to visit another time. Because the District has parking for 2,100 cars plus 5,000 more within walking distance, CFM would need a reduced amount of parking that could be reserved for handicapped visitors and others that require immediate access, such as caterers. (School and other buses would not need dedicated parking on site, but a protected area for drop-off and pick-up.) Shared uses may be possible with other District facilities such as the Theater and the Conference Center, where special daytime activities that require large spaces could take place. Ideally, an overpass would connect CFM to the District to avoid visitors having to cross busy Addison Road. The new CFM should be added as an Addison Shuttle stop; the potential DART light-rail stop will enhance access.

Several publications are available that describe typical public and behind-the-scenes space needs for museums:

- *Building Type Basics for Museums*, Arthur Rosenblatt, Wiley, 2001
- *Before the Blueprint: Science Center Buildings*, Peter Anderson, ASTC, 1991



Aviation museums, of course, have special requirements for handling and displaying aircraft that are extremely large and heavy. An important question will be whether any are to be suspended, since doing so will present additional structural and engineering requirements. In any case, a mezzanine level for viewing planes from different heights would be very valuable.

The many planning issues involving CFM and ADS will need to be resolved in mutually acceptable ways. In addition to those already mentioned, airport security issues, such as transition from visitor areas to the working airport, will have to be addressed, especially after the heightened concerns following 9-11. (General security guidelines can be found at [www.dot.state.tx.us/AVN/avninfo.htm](http://www.dot.state.tx.us/AVN/avninfo.htm).) Approvals by the FAA may be necessary for aspects of the plan, such as Control Tower transfer. Once the scale of the basic parameters of CFM has been set, initial site plans should be developed to explore the planning implications. A preliminary program of space needs should be developed based on the sections of this report that follow.

### Exhibits

CFM currently provides relatively limited interpretation of its collections, primarily through labels and a museum guide available for purchase. In addition to expanding the scope to increase its drawing power, CFM will need to develop creative strategies for engaging visitors and providing rich learning environments. The goal of the exhibit program should be to create memorable informal learning experiences. A recommended reference is: Falk, John H. and D. Lynn Dierking, *Learning from Museums: Visitor Experiences and the Making of Meaning*, AltaMira Press, 2000, which presents a model for informal or free-choice learning based on the personal, social, and physical contexts in which it takes place.

The process for conceptualizing and designing exhibits will be critical to the success of the institution both from an educational and marketing point of view. It often begins with a planning charrette that involves diverse creative thinkers who are assembled for one to two days to brainstorm possible directions. Front-end research also will be vital for understanding the needs and interests of the potential audience, as well as obtaining feedback on initial concepts. Too often, exhibits are designed based solely on the content interests of a curator or the aesthetics of a designer without thoughtful development based on careful consideration of the intended audience, research on informal learning, and the lessons derived from related prior exhibits.

The following is one possible direction for exhibit development and should be viewed in that light. The new CFM could be organized and themed as a Flight Training Academy with immersive environments devoted to pre-flight preparation, flying, and landing, as well as aircraft maintenance and other key aspects. In this way, it could involve visitors in role-playing, which can be an effective technique for engagement as the first step towards learning. A themed orientation area could set up visitors for this experience.



Suggested techniques for consideration include: flight trainers; cockpits to climb into; interactive Virtual Reality (VR) simulations; and hands-on exhibits based on the science and technology underlying flight and aviation. Media could be used in interesting ways, such as a virtual “flight instructor” who follows the visitor, providing guidance and support throughout the “training.” Another application might be views of the U.S. by day or night from different altitudes that enable visitors to see the Earth the way that a pilot does and let them try to identify the natural and human-made features.

Technology (ranging from simple bar codes to RFIDs, Radio Frequency Identification Devices) is now available to customize the museum experience. It can also make possible individualized follow-up activities from home via the Internet. Extending the experience is valuable for reinforcing and building on the activities that occurred during the visit. It is important to recognize, however, that museum visits are to very large extent social experiences, and care must be taken to design activities that build on rather than detract from interactions within the visiting family or social group.

Content embedded in the visitor experiences certainly will be derived from operational and technical aspects of flying and related areas. In addition, it can draw from the physical sciences, technology, human physiology, psychology, history, and other fields. Weather, a subject of high visitor interest, could become part of the pre-flight area, for example. To the extent possible, personal interest stories should be woven into the exhibit experiences, perhaps through newspaper clippings, and other means. Contextual career information also would be appropriate, particularly for the key roles that may be less glamorous and well known than the pilot.

To help make Addison airport the largest “exhibit” at CFM, the old Control Tower should be transformed, if possible, into an observation deck for watching take-offs and landings; alternatively, a realistic simulation could be recreated. In either case, visitors would listen to the actual chatter from the working Tower. (For example, this web site offers real-time access to the DFW Airport Tower: [webevents.broadcast.com/simuflite/](http://webevents.broadcast.com/simuflite/).) Adding live radar to watch approaches and landings in addition to visual observation would further enhance the visitor experience. With appropriate interpretation, this “exhibit” would showcase the working airport for visitors in a way that no simulation could.

One of the major challenges faced by museums is keeping the experience fresh through change in order to stimulate repeat visitation. The typical method is to host three or more traveling exhibitions over the course of a year. This practice is costly and provides mixed results. Alternatively, CFM may wish to display one or more aircraft on a rotating basis as “temporary exhibitions” that change quarterly. It also may be possible to achieve this goal through other means, as described in the section on Educational Programs. Furthermore, the air traffic at ADS can be considered a constantly changing exhibition.

A program master plan should be developed that outlines conceptually the intended outcomes and approaches taken for the CFM exhibitions. The process may involve a charette, front-end research, and the services of planning and design consultants.



## Collections

As noted, CFM holds a significant collection of historic aircraft in excellent condition. Seven have won national recognition with awards for authenticity and restoration excellence, including the EAA Grand Champion Warbird award for its B-25 Mitchell and F9F Panther. These important artifacts are the “real thing.” They illustrate the progression of aviation technology from World War I through the Cold War, with particular emphasis on World War II, which critically stimulated development of now essential elements such as radar. This collection can be interpreted in several complementary ways consistent with the expanded overall theme.

By installing them in theatrical themed hangars or hangar-like settings, they can dramatically illustrate the state-of-the-art at key historical eras: World War II and the Cold War. Their historical role and related human stories can be told through oral histories, actual newsreels, and other means. Because these planes are similar in many respects to those still used today in civil aviation, they can also illustrate the underlying technology and its evolution.

The CFM art and artifact collections should be integrated whenever possible to add another layer of interpretation. Assuming they are properly mounted and protected, they might also be used to theme the restaurant, helping create a unique atmosphere.

A collections issue to be explored is whether additional aircraft should be acquired. Possible directions would be more contemporary aircraft, examples of nonmilitary aircraft, and a large aircraft that could serve as an icon, such as a B-36. (The last B-36 manufactured by Convair in Fort Worth has been restored by volunteers and awaits a permanent home; see <http://www.b-36peacemakermuseum.org/History/current.htm>.) These decisions have significant facility implications (a B-36, for example, has a wingspan of 230 ft, length of 162 ft, and height of 47 ft), regardless of whether the aircraft gets suspended or displayed on the ground. A related question is whether future restoration work is anticipated. If so, will it take place at the new facility and be visible to the public, or will it take place off-site in a separate hangar?

Another issue is which planes will be available for air show use. The museum will need a core collection that does not change and can be interpreted by such means as described earlier. Those available to fly will need to be predetermined so that the facility and exhibits can be designed to accommodate this use.

CFM may wish to consider pursuing accreditation by AAM, which is the highest professional recognition in the museum field. Information can be found at: [www.aam-us.org/programs/accreditation/accred.cfm](http://www.aam-us.org/programs/accreditation/accred.cfm). Few aviation museums are accredited; one of them is the American Airpower Heritage Museum in Midland, TX.



## Educational Programs

CFM offers adult visitors fee-based 30-minute rides on authentic single-passenger World War II trainers, the N254 “Stearman” open-cockpit biplane or the AT-6 “Texan.” These flights, which could be expanded by adding staff or aircraft with greater seating capacity, provide authentic experiences difficult to obtain anywhere else. They are relatively costly and can serve only limited numbers of visitors. However, others can participate vicariously if the flight preparations, take-offs, and landings are announced and made into public “demonstrations” that interpret the steps involved. In addition, CFM could offer other demonstration flights or aerial acrobatics that are observable by and explained to visitors, particularly when paying customers have not booked them.

In addition, CFM could offer changing “mini”-air shows on a regular basis, perhaps monthly, with major events scheduled quarterly or annually. Although they require considerable effort to arrange, these shows can help attract repeat visitors and generate public relations interest. In addition to drawing from private collections, the Southwest Region of the Civil Air Patrol ([level2.cap.gov/](http://level2.cap.gov/)), the military, and commercial operators may be glad to have the chance to interact with the public. Air shows and flights require careful coordination with ADS to minimize disruption of airport operations. Such events could be complemented by appearances of fighter “aces” and other special guests who may be willing to make public presentations.

Because CFM does not currently offer education programs *per se*, this aspect of the museum provides a great opportunity and must be developed. The most flexible educational element of a museum, programs can target various audiences and can take a wide variety of forms. For this reason, 82% of all Texas museums present public programs in addition to their permanent and changing exhibition. In the most recent member survey, the Association of Science-Technology Centers (ASTC) found the following public programs offered by mid-size institutions: classes and demonstrations (85%); camp-ins (80%); camp programs (75%); after-school programs (45%).

Addison offers an active program of ongoing activities through its Recreation Department. CFM has the opportunity to develop unique offerings that serve Addison residents and are promoted by the Town. Particular audience segments could be targeted through specialized programs, such as ones designed to attract young adults for evening activities that include wine and live music. Evening events would certainly have very different feel and offer visitors the chance to view an operating airport after dark.

Nearly half of Texas museums offer pre- and post-visit classroom activities and workshops designed expressly for teachers. The ASTC survey found that mid-size institutions offer the following school and teacher programs: teacher workshops (90%); field trips (85%); school outreach (75%). These types of programs should be developed with the assistance of local teachers and should follow the Texas Essential Knowledge and Skill (TEKS) state guidelines; see [www.tenet.edu/teks/science/](http://www.tenet.edu/teks/science/) (and also the section on informal education, [www.tenet.edu/teks/science/profdev/informal\\_ed/](http://www.tenet.edu/teks/science/profdev/informal_ed/)).



Some education programs are “pre-packaged,” such as Challenger Learning Centers, which were developed by the families of the astronauts who perished in 1986; see [www.challenger.org/clc/](http://www.challenger.org/clc/). Currently, there are no Learning Centers in the D/FW metroplex. Although their target audience is middle school children, some museums have developed public and corporate programs. In fact, adult team building programs could provide a way to serve corporations in Addison as well as generate earned income; they could be based on a simulated mission or flight requiring trust, coordination, and communication skills.

CFM should pursue programmatic partnerships with the aviation-related organizations in the area, which include the Lone Star Aero Club ([www.lonestaraeroclub.org/](http://www.lonestaraeroclub.org/)), Dallas Chapter of the International Organization of Women Pilots—“Ninety-Nines” ([www.dallasninetynines.org/pages/1/index.htm](http://www.dallasninetynines.org/pages/1/index.htm)), and the Vought Retiree Club ([www.vought.com/heritage/](http://www.vought.com/heritage/)). CFM is a member of the North Texas Association of Aviation Museums ([www.notaam.org/](http://www.notaam.org/)), which offers additional programmatic and marketing opportunities. CFM air show activities should be coordinated if possible with the NAS Fort Worth Air Show, Alliance Air Show, Fina Dallas Air Show, and other related events. Activities also might be offered in conjunction with the education programs of the Federal Aviation Administration and the Civil Air Patrol. Although at times difficult to establish and implement, collaboration offers great potential for leveraging limited resources.

### Governance

CFM, originally organized as a privately held S-corporation, is forming two 501(c)(3) not-for-profit corporations: Cavanaugh Aviation Museum and CAM Foundation. CFM is the entity that owns 24 airplanes, which will be transferred to CAM over time. It is not clear why a separate foundation is being formed, since CAM itself will be able to accept charitable contributions.

A not-for-profit corporation is the typical museum governance structure. In fact, 69.4% are set up this way based on the most recent survey of U.S. museums by AAM. Of the remainder, approximately 10% are college or university museums, and the other 20% have some form of public governing authority, either federal (2.5%), state (7.3%), county (3.5%), or municipal (6.9%).

The CAM board consists primarily of family members. That composition is understandable given the origin of the museum and collection. However, if CFM is to become part of the Addison and greater D/FW communities, its board will need to be diversified considerably. Members should be recruited strategically based on their expertise, influence, and ability to contribute and raise funds. Potential targets are top executives at major regional corporations, wealthy individuals, entrepreneurs, and others who share an interest in flying. The board should reflect diversity by gender and of the D/FW metroplex that the institution serves, including the Hispanic community.



Many resources are available for board development. One is BoardSource ([www.boardsource.org/](http://www.boardsource.org/)), which provides information on its web site and has many publications. The Management Assistance Program for nonprofits offers a useful “toolkit” of references: [www.mapnp.org/library/boards/boards.htm](http://www.mapnp.org/library/boards/boards.htm). The Museum Trustee Association ([www.mta-hq.org/index.html](http://www.mta-hq.org/index.html)) holds an annual meeting and provides assistance specific to the museum field. Locally, the Center for Nonprofit Management in Dallas ([www.cnmdallas.org/](http://www.cnmdallas.org/)) offers board development among its services.

### Museum Operations

CFM is open Monday through Saturday from 9:00 a.m. to 5:00 p.m. and Sunday from 11:00 a.m. to 5:00 p.m. These hours are fairly standard, although some museums close for financial or maintenance reasons on one or more days, typically at the beginning of the week. An expanded CFM may wish to experiment with limited evening hours.

The CFM staff of nine consists of the Director/Pilot/Aircraft Maintenance Manager; Assistant Director/Pilot/Facility Maintenance Manager; Museum Administrator; Gift Shop Supervisor/Receptionist; Administrative Assistant (reception and clerical); Facility Assistant (janitorial, computer maintenance); and three Aircraft Mechanics. Existing staff demonstrate great flexibility and expertise in flight operations. Although the ultimate staffing plan will depend on the scale of the facility and the program, it is likely that other functions will need to be added: education, exhibits maintenance, public relations/marketing, development (fundraising and membership). One of the challenges that CFM will face is the organizational transformation from a smaller to larger institution, with higher public expectations and increased responsibility for existing staff.

Assuming involvement of Addison in the new operation, there may be cost-saving opportunities for sharing functions with Town staff. For example, CFM should explore contracting with Addison for administrative services, such as finance and human resources; marketing and public relations; facility maintenance; and security. Positions should be analyzed based on whether the expertise can best be served by CFM, Addison, or outsourced to another entity (such as Jani-King).

As noted, operational issues need to be addressed relating to the integration of museum and airport functions. Museum activities, such as air shows, will require careful coordination and may be restricted to weekends, when airport traffic is lower (and museum attendance is higher.) In addition, the new CFM must develop plans for different modes of operation for heavier crowds that might be expected on Addison event days. Liability insurance for CFM flights may become an expense issue as the numbers increase.

### Finance

CFM has an unusual distribution of revenue. The following table compares it with museum data from AAM and ASTC; see Appendix B for comparable aviation museum data. Note that the ASTC percentages represent medium-size science-technology centers,



which tend to be more entrepreneurial than the average museum represented by the AAM data. As a result, their percentage of earned income is approximately double and the portions from contributions and endowment correspondingly reduced.

Source	CFM	AAM	ASTC
Earned	34%	30%	66%
Government	3%	25%	20%
Private	62%	35%	15%
Investment	0%	10%	--

The percentage of public funding is low, private contributions high, and investment return zero, since there is no endowment. CFM should seek to diversify its revenue sources to include increased public funding, the return from an endowment, and increased earned income. As discussed later, sources for private contributions should also be increased.

Currently Addison provides CFM with \$50,000 annually for marketing. As part of an expansion program, Addison should consider increasing that amount. Assuming for simplicity an approximate doubling of the CFM operating budget to \$3 million, "average" public funding would amount to \$600,000 to \$750,000 annually from all public sources. By way of comparison, the WaterTower Theatre currently receives \$380,000 from Addison from the hotel fund.

Earned income offers the greatest flexibility for generating revenue. Its main sources are indicated in the following table for mid-size science centers:

Admissions tickets	44%
Ancillary services	22%
Education fees	11%
Memberships	9%
Other earned	9%
Interest	4%

Admissions, the largest component of earned income should be the primary focus. To attract visitors, museums typically spend 5% to 10% of their operating budget on staff and activities for marketing and promotion. As noted, admissions prices can vary considerably and should be based on a pricing study that determines the elasticity of what the public would be willing to pay for the experiences offered. Perception of value for the money (and time) spent will be critical for generating positive word-of-mouth (the most effective form of marketing) and repeat visits. Most museums have some form of membership program, which typically offers unlimited free admission, a publication, and other benefits that vary with membership level. Together, these revenues may account for half or more of all earned income.

Other sources of earned income cover a very wide range. The educational programs described in a previous section are typically offered on a fee basis and some are subsidized, particularly for school group visits. Ancillary services include retail, food service, parking, and facility rental. Retail is currently a major source for CFM, and a



new facility should allow for a store that is larger than the current 400 sq ft. The Museum Store Association ([www.museumdistrict.com/](http://www.museumdistrict.com/)) is an excellent source of information for planning and operating information. Based on MSA data, about 40% of museum stores range in size from 600 to 1,599 sq ft. The median net sales per visitor are \$1.96 and the per square foot are \$183. Based on these measures, CFM easily exceeds industry norms. Outsourcing its operation to an Addison retailer should be considered.

CFM should consider creating a mid-price restaurant (like the Blue Fig Restaurant at Scottsdale Airport) and snack shop that could be outsourced to an existing Addison restaurant through an RFP process. The mid-price restaurant should have an aviation theme, views of ADS flights, and both indoor and outdoor seating. It should have the capacity to cater special events on site.

Although CFM revenue from hosting special events is low, it has been designated the Meeting Professionals International Facility of the Year for 2003-2004. An expanded facility would increase the opportunity to offer corporations and others a themed venue for events complementary to the hotels and convention center. Facility use could potentially be marketed through meeting planners, preferred caterers, or broadly through the hotels and restaurants in Addison to leverage CFM's own marketing efforts. These catered events should be able to take advantage of both indoor and outdoors spaces from which flights can be observed. In the facility rental niche, CFM competes directly with the C.R. Smith (which can serve 700 for buffet and 300 for sit-down events around its DC-3) and FOFM (which can accommodate 1000 seated); FOFM hopes to generate one-third of its operating revenue from this source.

CFM has the capacity to generate other forms of earned income. Its airplane flights offer a high-priced but unique experience. It should study the potential for maximizing this revenue through increased numbers of flights and planes that can hold multiple passengers, as mentioned previously. Another possibility is instituting an airplane washing service, which has the dual potential of generating earned income and providing a living "exhibit" for visitor observation. Here CFM must carry out a financial feasibility analysis and determine what size rack would be most productive from business and operational perspectives.

Another opportunity worth exploring would be a boutique hotel similar to the Hangar Hotel ([www.hangarhotel.com/](http://www.hangarhotel.com/)), which is in a recreated World War II military hangar at the Gillespie County Airport in Fredericksburg, Texas. This type of enterprise would also require a feasibility study to gauge market demand and potential return on investment.

### Development

Establishing a diversified base of private contributions from which to raise annual and capital funds and grow an endowment will be essential to CFM. The Board of Trustees must play a key role, in making personal and corporate gifts, but also by building on the relationships of its members with other donor prospects. Appendix C identifies regional businesses that may be sources of potential funding.



Special events, such as a fundraising gala, should be considered after a strong community-based Board has been established. Creating an active and well-connected volunteer group whose interest is planning and carrying out social activities rather than airplane restoration will be needed. Although these types of events require great effort to produce, they can generate increased awareness and positive public relations in addition to raising funds. CFM will be competing in this area with an established FOFM Gala and a lower-priced VFM annual event, along with the many other fundraising events by not-for-profits in the area.

For any organization to widen its donor base, it must demonstrate strong support from its closest existing supporters. In the case of CFM the primary supporter is Mr. James Cavanaugh. He already has made major contributions by acquiring the collections, in addition to significant annual gifts to balance the CFM operating budget. Other potential donors will be looking at his level of support for any expansion of the facility, which might take the form of the lead gift to a capital campaign. A recognized community or corporate leader should lead this campaign. Addison will need to determine its level of commitment to providing capital funds towards this campaign. One strategy would be for both Mr. Cavanaugh and Addison to provide capital funds that would match other private contributions, based on an assessment of the feasibility of attracting additional private donors to such an effort.

Raising funds for an endowment is an important step towards helping maintain the new museum in perpetuity and building confidence among other potential supporters of its long-term viability. A lead gift from Mr. Cavanaugh again would send a strong signal to the community and is essential for soliciting additional contributions. It is unlikely that other major donors will step forward absent major commitments from the museum founder. Establishing the endowment can be incorporated into the capital campaign.

Fundraising counsel is generally retained to assist the board and staff in conducting a major capital campaign. The firm typically begins with a feasibility study to assess the willingness of others in the community to contribute to the cause. Such a study should follow diversification of the CFM board, since its members will certainly increase the pool of potential donors. The larger the campaign contribution made by Mr. Cavanaugh and by Addison, the less important the need for fundraising counsel and feasibility study.

### Term Sheet Analysis

CFM proposed to Addison the outline of an agreement for developing and operating an expanded facility; see Term Sheet in Appendix C. The general intent (Section II) is:

“The Town and the Non-Profit intend to design, construct, operate, and under certain circumstances, expand the Cavanaugh Flight Museum (the “Museum”). Generally speaking, the Town will support the Museum by providing funding, land, and promotional and marketing services; the Non-Profit will support the Museum by providing technical advice and leadership during the design and construction of the Museum, undertaking the management and operation of the Museum (subject to certain



oversight and approval rights conferred on the Town), and providing the aircraft, artwork, displays, memorabilia and other materials exhibited in the Museum.”

Assuming interest by Addison, this general statement is not unreasonable. However, the details of how this intent gets implemented will be critical.

The Term Sheet proposes the following seven project phases:

1. Negotiation and Execution of Agreement
2. Selection and Approval of the Design and Budget Team
3. Completion and Approval of the Conceptual Plans
4. Completion and Approval of the Development and Operations Budget
5. Completion and Approval of the Museum PS&E [Plan, Specification & Estimate]
6. Approval and Award of the Museum Construction Contract
7. Completion of the Museum and Commencement of Operation

CFM proposes to take the lead in these steps, with review and approval by Addison. Since Addison has extensive development experience, it would make sense for one or more its staff to become part of the planning team, with further review and approval as required. The steps in the development process should follow those normally used by Addison in managing complex projects. Described in terms of a Technical Work Group, the process for communicating with all constituencies should be incorporated into the planning, both to share openly relevant information and to gather valuable feedback from stakeholders and the community.

CFM proposes a 100,000 sq ft museum facility, roughly a doubling of its current space and a reasonable starting point for discussion (see Appendix B for comparable facility data), along with a 30,000 sq ft hangar for maintenance and restoration. Actual facility requirements should be based on a planning process that includes development of:

- Preliminary conceptual plan for museum exhibits and programs;
- Space use analysis based on programmatic and facility requirements;
- Site plan and analysis, including parking;
- *Pro-forma* operating budget (based on conservative attendance and earned revenue projections);
- Capital campaign budget (based on fundraising feasibility).

These initial planning steps should take place prior to beginning formal architectural or exhibition design. Although they add little to the final cost, these critical steps often do not receive sufficient attention, leading to projects that later require expensive modification or do not fulfill their expected potential. Architectural design often begins too early in the process. A thoughtfully developed program including initial exhibit plans and financial feasibility must guide facility design.

The CFM request for adjacent hangar space for the Jani-King Aviation Department should be considered as part of the overall business arrangement. Jani-King staff and operations, however, will need to be clearly delineated from the museum since this aspect would violate the public purpose and endanger the not-for-profit status. The request for an F-104 or other aircraft on a pedestal at the museum entry is a detail that can be explored during the architectural planning and costing for the facility.



The Term Sheet contemplates that Addison be responsible for paying the capital and unfunded operating costs for the Museum. Although ideal for CFM, such an arrangement would be very unusual. As described earlier, a more typical operating arrangement is for one or more public entities to contribute portions of the operating revenue to supplement earned income, private contributions, and return from an endowment. Similarly, taxpayers often contribute a portion of the capital costs for new museum facilities through issuance of bonds and other means. Land is frequently donated by a public entity or offered at a nominal rent or \$1 per year.

Other matters raised in the Term Sheet have been addressed earlier in this report, such as facility issues (shared use of existing theater and parking, programmatic integration of art works, control tower for observation, wash rack); need to identify core aircraft for display; cooperation on programs and marketing.

### Next Steps

It is not likely that Addison would create a museum based primarily on military aircraft if none existed today. However, the Town is home to the outstanding CFM collection and would derive benefits from a potential expansion carried out in the manner described. A new museum with broadened appeal will provide another reason to visit or extend a stay in Addison. If well executed, the facility should increase the numbers of regional and out-of-town visitors and lengthen stay time of existing visitors through museum visits and synergies with the Arts and Events District. It should produce a net positive economic impact on the Town, its restaurants, hotels, and other businesses that serve the public.

Addison Airport should benefit as well. An expanded CFM can increase the number of general aviation visitors and make it more attractive to existing ones through its exhibits, mid-range restaurant, and even possibly a boutique hotel. Added operations would require additional fuel and other flight services, generating increased revenue. (For example, the 36,728 transient arrivals in 2002 resulted in 110,070 visitor days that generated some \$14.9 million in revenue, not counting indirect multiplier effects.) An airplane washing service operated by CFM would provide another useful service for tenants and transients. The new facility also would provide a way to satisfy the need to provide a safe way for the public to view flights at the airport.

On the other hand, creating an expanded museum facility is a complex project that should not be lightly undertaken. Many museums today are struggling financially and reassessing their roles for the 21st century. The recommended planning steps would address these concerns. Addison can manage financial risk through making annual dollar-limited contributions (rather than carrying all the exposure), as part of a diversified CFM revenue stream capable of supporting ongoing operations. Careful planning can control the public relations risk posed by the potential for an unsuccessful museum. The low risk of an aviation accident can be managed through constant emphasis on flight safety.



Taking all factors into account, it is the recommendation of this analysis that Addison proceed to the next stages of decision-making and planning. Specifically, the following next steps are proposed.

1. **Negotiation with CFM.** Recommendations in this analysis differ in several material respects from the Term Sheet proposed by CFM. Agreement must be reached by Addison and CFM over major issues, including extent of public funding for capital and operating costs, willingness of CFM to expand its board membership, and level at which Mr. Cavanaugh intends to contribute towards a capital campaign, annual fund, and endowment. A revised Term Sheet satisfactory to both parties must be the outcome of these discussions.
2. **Feasibility Study.** Detailed market and attendance estimates must be developed, along with a business plan based on conservative projections and diversified sources of operating revenue. A specialized firm can be retained to carry out this step in about three months. Approximate costs for a market study are \$25,000 plus \$10,000 for an operating plan. Addison may also wish to consider obtaining a study of the economic impact of the expansion (approx. \$10,000).  
To accelerate the process, Step 2 could be carried out in parallel with Step 1. Although doing so increases the initial outlay by Addison before assurance of an agreement, the study will more sharply define the financial parameters of future CFM operations that can inform Term Sheet negotiations.
3. **Master Planning.** The programmatic focus for CFM must be developed and agreed upon, whether along the lines proposed here or in alternative directions. The planning should include development of a conceptual plan for museum exhibits and programs; space use analysis based on programmatic and facility requirements; site plan and analysis, including parking; and a capital campaign budget. This process should involve both an exhibit design firm and museum planning consultant. The duration and cost for this step are best determined after the scope of the project has been defined in Steps 1 and 2.



## Appendix A

## Aviation Museums in D/FW Metroplex

*American Airlines C.R. Smith Museum* ([www.crsmithmuseum.org](http://www.crsmithmuseum.org)), Fort Worth.

This 35,000 sq ft corporate museum also opened in 1993. Since then, it has celebrated its one-millionth visitor. Its focus is commercial aviation, the history of American Airlines ("Beginnings" 1918-1930; "Consolidation" 1931-1939; "Transition" 1940-1959; "Jets" 1960-1978; "Deregulation and Growth" 1979-1993). In addition, it includes a restored DC-3; area for children with hands-on activities; a two-seat custom flight simulator (requires volunteer assistance); and a 110-seat theater (Iwerks 8/70), where the 14 min. "Spirit of American" film is shown to visitors in business-class seats. The museum is operated by the C.R. Smith Foundation as 501(c)(3) and is currently open five days per week; admission is free, but a charge is being considered. Attendance is now approx. 65,000 visitors per year with one-third school children. C.R. Smith visitors must pass through a security gate to access the museum building. The approx. \$1 million operating budget is supported by earned income from retail and facility rental, earnings from a \$6 million endowment, and an annual contribution from American Airlines (\$50,000 - \$200,000).

*Frontiers of Flight Museum* ([www.flightmuseum.org](http://www.flightmuseum.org)), Dallas.

Founded in 1988 by Senator Kay Bailey Hutchison, Jan Collmer, and William E. Cooper, the museum originally was located within the airport terminal at Love Field in Dallas. Its new 100,000 sq ft city-owned facility, which opened on June 5, sits on a six-acre site on the field. Expansion was made possible by a \$7.2 million State Transportation Enhancement Project (STEP) grant plus \$1.8 million in matching funds. With the aid of the UT Dallas aviation collection of George E. Haddaway, FOFM has positioned itself as a museum on the history of aviation and not just an "airplane museum," although it currently has 22 aircraft (of which it owns one-third). A highlight is the Apollo 7 Command Module, obtained on loan from the National Air and Space Museum until 2007 through the assistance of astronaut and FOFM board member Walter Cunningham. FOFM is a developing institution that remains a work in progress. About 20-25% of its exhibits have been installed, including portions of three separate "education experience centers" for pre-school, middle school, and high school children. (This unusual arrangement is beneficial for school groups but may be problematic for families.) Ultimate FOFM attendance has been targeted at 300,000 to 500,000 per year; initial visitation has been about 6,000 per month. The facility includes a 200-seat theater and gift shop.

*Vintage Flying Museum* ([www.vintageflyingmuseum.org](http://www.vintageflyingmuseum.org)), Fort Worth.

Located at Meacham Field, VFM was created from the private collection of Dr. William D. Hosper. It includes 18 aircraft (12 owned, 6 flyable), with an emphasis on World War II, and the prime holding is a B-17 Flying Fortress. Open on weekends, it is an emerging institution run at present entirely by 50 to 60 volunteers, many of whom are actively

involved in restoration. VFM includes some 300 airplane models and simple exhibits. VFM rents part of its B-29 hangar to the independent OV-10 Bronco Association, which has created its own simulated "ready room."

Other members of the North Texas Association of Aviation Museums (NOTAM) include the Naval Air Station JRB Fort Worth, Texas Air Command (Meacham Airport), and D/FW Wing of the Commemorative Air Force (Lancaster Airport), as well as the History of Aviation Collection at the Eugene McDermott Library of UT-Dallas. In addition, the Aviation Heritage Association (Melvin Haas, board chairman), which runs an Aviation Hall of Fame program and International Air Show, is at the planning stage of developing an Aviation Heritage Museum - Education and Training Center at Alliance Airport in Fort Worth. The greater D/FW region also is home to the Silent Wings Museum in Lubbock, Hangar 10 Flying Museum in Denton, and #1 British Flying Training School in Terrell. The Pate Museum of Transportation near Cresson had an outdoor collection of aircraft, but most of them have been reclaimed by the U.S. Air Force Museum due to their deteriorating condition. Texas has 36 aviation museums in total, more than any other state.



## Appendix B

### Comparative Aviation Museum Data

Because of the small size of the subset of aviation museums, it is difficult to make “apples to apples” comparisons, especially when considering the diverse locations and local circumstances of these museums. In addition, although most museums share similar objectives, they carry them out in varying ways in differing settings with few uniform reporting standards. Thus finding facilities that are similar in all or most respects is not possible in so small a niche. Nevertheless, it is possible to identify and obtain data from other aviation museums that can shed comparative light. Information regarding the operation of these other institutions provides a context for assessing both the present Cavanaugh Flight Museum (CFM) and its potential expansion.

In addition to CFM, American Airlines C.R. Smith Museum (C.R. Smith), and Frontiers of Flight Museum (FOFM), the following others generously shared data about their facilities, attendance, staffing, and finances:

*Air Zoo* ([www.airzoo.org/](http://www.airzoo.org/)), Kalamazoo, MI (contact: Bob Ellis, Executive Director). The Air Zoo just opened in May of this year on 60 acres as a \$20 million expansion of the Kalamazoo Aviation History Museum, which originally opened in 1979. It seeks to bring aviation history to life through character actors and hands-on experiences, including flight simulators, amusement rides, and 3-D films. Its collection of 80 vintage aircraft includes World War II fighters and a SR-71B Blackbird spy plane.

*Cradle of Aviation Museum* ([www.cradleofaviation.org/](http://www.cradleofaviation.org/)), Mitchel Field, Garden City, Long Island, NY (contact: Claudia Oakes, COO).

The Cradle of Aviation was a \$40 million project that opened in May 2002. It is based on a collection of 70 military and civilian aircraft and spacecraft associated with Long Island that was assembled over two decades. They are located in two renovated historic pre-World War II military hangars near the Long Island Children’s Museum. It includes an IMAX Dome theater. Cradle is operated by the not-for-profit organization Nassau Heritage in cooperation with Nassau County.

*Lone Star Flight Museum* ([www.lsfm.org/index.htm](http://www.lsfm.org/index.htm)), Scholes Field, Galveston, TX (contact: Ralph Royce, Executive Director).

LSFM, which began as a private collection in 1985 and opened in 1990, considers itself the largest aviation collection housed in a single facility in the south central U.S. It has been officially designated the Texas Aviation Hall of Fame by the Texas legislature. Its collection includes 32 aircraft, 3,000 artifacts, 2,500 reference works, and 1,000 historic photographs, as well as artworks and oral histories.



*Facility Data*

	CFM	CR Smith	FOFM	Lone Star	Air Zoo	Cradle
Total Interior Space sf	57,600	35,000	100,000	105,800	138,000	130,000
Interior Public Sp sf	46,500	35,000	80,000	87,500	110,000	83,000
Exhibit Space sf	44,000	25,000	60,000	64,405	92,000	48,000

The facilities range in size from the C.R. Smith Museum and CFM at the low end to the Air Zoo and Cradle of Aviation at the upper end. Aviation museums tend to have larger facilities than most other types of museums due to the size of the objects they display. As a result, they are less “dense” than other types of museums. Interior public space may be a better measure of aviation museum visitor experience than exhibit space because of institutional differences in defining what “exhibit” means in the context of displaying large aircraft. Cradle public space also includes a 330-seat IMAX 15/70 theater, which is not counted towards exhibit space.

*Attendance Data*

	CFM	CR Smith	FOFM	Lone Star	Air Zoo	Cradle
Total on-site, #	25,248	65,000	72,000	74,862	240,000	205,000
Visitors/ sq ft Public Sp	0.5	1.9	0.9	0.9	0.7	2.5
School Children, #	6,436	21,000	18,000	11,905	7,500	47,000
% School Children	25%	32%	25%	16%	3%	23%
Memberships (family), #	5	5,000	-	600	2,000	-
Metro Population	5.8 m	5.8 m	5.8 m	4.7 m	450 k	2.7 m
Visitor Capture %	0.4%	1.1%	1.2%	1.6%	17.8%	7.6%

Attendance ranges from CFM at the low end to the Air Zoo and Cradle at the high end. Note that attendance for Frontiers and Air Zoo are annualized projections that are extrapolated from only a portion of the year since both opened recently. First year attendance can be expected to drop by as much as one-third after the first year of operation as the newness of the attraction wears off. Cradle and C.R. Smith have the highest numbers of visitors per square foot of public space, indicating the greatest internal pressure for expansion.

The low figure for Air Zoo school children attendance is based on actuals, while the number for Frontiers is a projection by the Director. If the anomalous Air Zoo number is dropped, the others all fall within a reasonable range. As overall attendance increases, this percentage naturally tends to decline since the school group population in a region is limited and fixed in number.

Memberships, which provide free admission during the year along with other benefits, vary tremendously across these museums. It is a major factor for the C.R. Smith and likely linked with personal affiliation with American Airlines as employee or retiree.



Size of metropolitan area is clearly a major factor in attendance. The two D/FW museums are situated in the most populous metroplex, with Lone Star in the Houston-Galveston area close behind, followed by Cradle in Nassau-Suffolk on Long Island, and Air Zoo in Kalamazoo-Battle Creek, the smallest region by far. The visitor (market) capture rate or penetration is derived by dividing total attendance by the metro area population. (Note that this number does not take tourist visitation into account.) Capture rates for CFM, C.R. Smith, and Lone Star fall at the low end by this measure compared to Cradle and Air Zoo. The latter are the largest facilities in this group; in addition, both have significantly extended their appeal through interactive visitor experiences that go beyond traditional exhibits and traditional aircraft displays.

### Staff Data

	CFM	CR Smith	FOFM	Lone Star	Air Zoo	Cradle
FT, #	9	5	9	9	40	21
PT, #	3	1	6	4	20	40
PT, FTE	1	0.3	2	1	6	12
Total FTE	10	5.3	11	10	46	33
Visitors/FTE	2,533	12,213	6,643	7,321	1,734	6,164
Volunteers, #	40	45	80	160	200	240

As seen, staffing levels generally increase with facility size and attendance, although each institution has its own set of needs, access to external resources, and outsourced functions. The larger facilities use more part-time staff, who offer flexibility for scaling up or down to meet seasonal and weekly trends. All the museums use volunteers.

### Financial Data

	CFM	CR Smith	FOFM	Lone Star	Air Zoo	Cradle
Op Expenses \$	\$1,570,000	\$1,000,000	\$1,000,000	\$1,700,000	\$3,200,000	\$5,040,368
Capital Expenses \$	\$0	\$0	nd	nd	\$5,800,000	\$0
Income						
Admissions \$	\$110,561	\$0	nd	nd	\$700,000	\$1,777,546
Adult Admission	\$6.00	free	\$8.00	\$8.00	\$19.50	\$7.00
Retail \$	\$313,986	\$350,000	nd	nd	\$250,000	\$27,651
Facility Rental \$	\$7,325	\$100,000	nd	nd	\$20,000	\$370,630
Other Earned \$	\$86,682	\$125,000	nd	nd	\$200,000	\$269,595
Total Earned \$	\$518,554	\$575,000	nd	nd	\$1,170,000	\$2,445,422
Public Funds \$	\$50,000	\$0	nd	nd	\$0	\$1,641,736
Endowment \$	\$0	\$6,000,000	nd	nd	\$0	\$0.00
Endowment Income \$	\$0	\$200,000	nd	nd	\$0	\$0
Contributions \$	\$937,644	\$200,000	nd	nd	\$1,800,000	\$69,221
Total Income	\$1,506,198	\$975,000	nd	nd	\$2,970,000	\$4,156,379



Financial information was provided by all museums except Frontiers and Lone Star, where “nd” in the table indicates no data. Sources of operating income for each institution vary considerably, as indicated below:

	<i>CFM</i>	<i>CR Smith</i>	<i>FOFM</i>	<i>Lone Star</i>	<i>Air Zoo</i>	<i>Cradle</i>
% Earned \$	34%	59%	nd	nd	39%	59%
% Public \$	3%	0%	nd	nd	0%	39%
% Contrib + Endow	62%	41%	nd	nd	61%	2%

The only museum to receive significant public income is Cradle, which receives nearly 40% of its operating revenue from Nassau County. Nationally, approximately one-fourth of the average museum funding comes from some form of public support.

Earned income is critical for all the museums. Generally, gate revenue is the primary source and is determined by the admission charge, attendance, membership program, and discount strategies. The price of admission varies very widely among these institutions, ranging from free admission (C.R. Smith) to \$19.50 (Air Zoo), which is at the extreme high end for museums in general. (The Museum of Modern Art in New York City charges \$20 for adult admission, reputed to be the highest charge.) The Cradle of Aviation has an IMAX theater and offers an adult combo ticket for \$16.50. All institutions discount for children, seniors, and groups. Admission revenue for CFM is low due to its attendance.

Other sources of earned income include retail, facility rental, educational program fees, and air shows. CFM has unusually high retail revenue and also generates additional revenue through its airplane flights. Earned income typically contributes 30% to 50% of the revenue in a museum budget.

Most museums raise private funds through contributions and benefit events. About one-third of museum revenue is derived from this source in general. CFM receives nearly double that percentage. It also has no endowment, like C.R. Smith, to serve as a base of long-term support.

The following key ratios can be used to analyze expense and income data:

	<i>CFM</i>	<i>CR Smith</i>	<i>FOFM</i>	<i>Lone Star</i>	<i>Air Zoo</i>	<i>Cradle</i>
Op Exp \$/sf exhibits	\$35.68	\$40.00	\$16.67	\$26.40	\$34.78	\$105.01
Op Ex \$/sf public	\$33.76	\$28.57	\$12.50	\$19.43	\$29.09	\$60.73
Op Exp \$/visitor	\$62.18	\$15.38	\$13.89	\$22.71	\$40.00	\$24.59
Earned \$/visitor	\$20.54	\$8.85	nd	nd	\$14.63	\$11.93

FOFM has the lowest operating expenses by all measures, although it may be too early in its development to tell whether those figures will be sustained. Lone Star also has low operating costs, likely due to its emphasis on displaying aircraft rather than interactive



exhibits. Cradle has the highest expense ratios per square foot, even when public space is used rather than exhibits. CFM has the highest expense ratio per visitor as a result of its lower attendance. On the other hand, it has the highest ratio of earned income per visitor, which is significant.

## Appendix C

### Potential Funding Sources

Regional aviation companies are potential contributors because of their special interest in both the field and the need to increase the size of the pool of prospective employees.

Possible donors include: American Airlines; Bell Helicopter Textron; Boeing; Bombardier Aerospace Corp.; Consolidated Vultee; General Dynamics; Ling-Temco-Vought; Lockheed Martin Aeronautics Company; North American Aviation; Northrop Grumman; Vought Aircraft Industries, Inc.; Southwest Airlines; in addition to suppliers to the industry such as A. E. Petsche Company and Link Simulation and Training. Some of these companies may be amenable to providing in-kind support in addition to making financial contributions.

Businesses with airplanes at ADS and airport service providers are certainly candidates, along with the larger Addison employers, such as MBNA Hallmark Information Services, Excel Telecommunications, Mary Kay Cosmetics, Pizza Hut, Elcor, CompUSA, and Frito-Lay. Another source of donors is the Addison Business Association, whose members would benefit from attracting more visitors.

Beyond this core group are major companies headquartered in the D/FW metroplex, including: Advance PCS; Affiliated Computer Services; Burlington Northern Santa Fe; Centex; D.R. Horton; Dean Foods; EDS; ExxonMobil; Fleming; JCPenney; Kimberly-Clark; Lennox Intl.; Neiman Marcus; RadioShack; Texas Instruments; Triad Hospitals; TXU. Other donor prospects are major employers in the region, such as Austin Industries; Baylor Health Care System; Ben E. Keith; Brinker Intl.; Builders First Source; ClubCorp; Contran; Dr. Pepper/Seven-Up; Glazer's Wholesale Distribution; Hunt Consolidated; Kinko's; Minyard Food Stores; Sammons Enterprises; SBC; Texas Health Resources; VarTec Telecom; Verizon Communications; and Wal-Mart.

Grants from private philanthropic foundations are also possible and should be pursued. Government grants for museums are limited, however. At the federal level, the most likely candidates are the Institute of Museum and Library Services (IMLS) and National Endowment for the Humanities (NEH). At the state level, the Texas State Historical Commission and Texas Council for the Humanities offer grant programs.



Appendix D  
**Proposed Term Sheet**



## TERM SHEET CAVANAUGH FLIGHT MUSEUM

### **I. PARTIES:**

The Town of Addison, a Texas municipal corporation (the "Town"), and Cavanaugh Air Museum, a Texas non-profit corporation and tax-exempt entity under IRC Section 501(c)(3), dba Cavanaugh Flight Museum (the "Non-Profit").

### **II. THE PARTIES SHARED INTENT:**

The Town and the Non-Profit intend to design, construct, operate and, under certain circumstances, expand the Cavanaugh Flight Museum (the "Museum"). Generally speaking, the Town will support the Museum by providing funding, land, and promotional and marketing services; the Non-Profit will support the Museum by providing technical advice and leadership during the design and construction of the Museum, undertaking the management and operation of the Museum (subject to certain oversight and approval rights conferred on the Town), and providing the aircraft, artwork, displays, memorabilia and other materials exhibited at the Museum.

### **III. ANTICIPATED BENEFITS:**

By undertaking their respective obligations regarding the Museum, the Town and the Non-Profit intend to realize various benefits. The Town anticipates that the Museum will (A) attract additional conventioners, tourists and other visitors, thereby increasing restaurant, hotel and related revenues within the Town's corporate limits, (B) serve as an educational resource for its school children and other citizens, and (C) otherwise further enhance the Town's reputation, standing and overall quality of life. The Non-Profit, in turn, anticipates that the Museum will permit it to (1) ensure the continued maintenance and care of its existing aircraft, memorabilia, and other property, (2) enhance its ability to restore and/or acquire additional aircraft, memorabilia and other property, (3) expand its educational and other programs, increase its membership and attendance counts, and generally reach a broader audience, and (4) otherwise better achieve its corporate and philanthropic purpose of preserving military aviation heritage.

### **IV. THE PROPOSED TERMS:**

To accomplish these ends, the Town and the Non-Profit will enter into a Development and Operating Agreement (the "Agreement") that will address the following matters:

#### **A. DEVELOPMENT OF THE MUSEUM**

1. **The Facility, Generally:** The Town and the Non-Profit, working collaboratively, shall design and construct a state-of-the-art museum complex composed of a



minimum of 100,000 sq. ft. of climate-controlled museum and hangar facilities and a minimum of 30,000 sq. ft. of climate controlled hangar space to house the Museum's maintenance and restoration facilities, all situated on the property depicted on Attachment 1.

a. **The Museum:** The Museum shall include:

- Classrooms, meeting space, and a theater;
- A research/reference library;
- A hands-on discovery area for children's education and career building;
- An art gallery to house the Museum's art collection;
- A gift shop;
- A restaurant;
- Catering facilities for parties and conferences;
- A large ramp area for aircraft parking and operation;
- An observation area with a replica tower and/or terrace;
- A state-of-the-art security and fire system, including electronic security gate(s);
- Parking for a minimum of 50 cars (plus reciprocal easement rights for the additional parking described below);
- Bus/RV parking;
- Private covered parking for at least 8 cars in the security area;
- Adjacent hangar space for the Jani-King Aviation Department that is suitable for a Falcon 50, King Air and small single engine plane (approx. 120x100 ft., plus office space); and
- F104 or other aircraft on a pedestal at the Museum entry.

b. **The Maintenance Hangar:** The Maintenance Hangar design shall include:

- Shop and storage space;
- A paint booth;
- Outside storage;
- Outside wash rack; and
- The ability to sublease space to the Jani-King Aviation Department.

c. **Other Design Considerations:**

- The Museum shall be sited so as to:
  - maximize the potential for future expansion,
  - facilitate outside displays and special events and shows; and
  - maximize the potential benefits to the Museum of nearby facilities owned or operated by the Town (e.g., convention facilities, reciprocal easement rights in adjacent parking, etc.).

TERM SHEET — CAVANAUGH FLIGHT MUSEUM — Page 2  
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2. **Review and Approval Process:** The review and approval process for finalizing the design, construction, operation and funding of the Museum shall be a sequential process accomplished in the following phases, with the completion of each phase being the condition for proceeding to the succeeding phase:
- a. **Phase 1, Negotiation and Execution of the Agreement:** Once the parties have finalized and approved this Term Sheet, they shall diligently and in good faith negotiate a comprehensive and binding agreement (the "Agreement") in accordance with the terms hereof.
  - b. **Phase 2, Selection and Approval of the Design and Budget Team:** If and when Phase 1 is accomplished, the Non-Profit shall identify and recommend to the Town (i) the architect(s), engineer(s) and other design professionals, and (ii) the expert(s), accountant(s), industry consultant(s) and/or marketing advisor(s) (collectively, the "Design and Budget Team") that will prepare the Conceptual Plans and the Development and Operations Budget (as those terms are defined below). The Town shall review and approve each member of the Design and Budget Team, as well as the terms of all proposed contracts by which they are retained by the Non-Profit (the "Design and Budget Team Contracts"). If and when the Town provides the foregoing approvals for the Design and Budget Team, it shall commit to promptly pay all resulting costs incurred in accordance with the Design and Budget Team Contracts; thereafter, any contract modifications shall require the Town's written consent, provided that the Town will not unreasonably withhold or delay its consent to modifications that neither (x) increase, in the aggregate, the Design and Budget Team Contracts costs more than 10% nor (y) materially and adversely modify the Museum as it is described in the Agreement. The Town and the Non-Profit shall utilize the Technical Work Group (as defined below) to ensure the timely and thorough exchange of information between the parties.
  - c. **Phase 3, Completion and Approval of the Conceptual Plans:** If and when Phase 2 is accomplished, the Non-Profit shall oversee the preparation by the Design and Budget Team of conceptual plans and schematic drawings for the Museum (the "Conceptual Plans"), provided that the Technical Work Group shall be utilized to ensure the Town's participation in that process. The Town shall review and approve the Conceptual Plans prior to the parties proceeding to Phase 4. If the Town and the Non-Profit are unable to agree upon the Conceptual Plans within \_\_\_ days following the commencement of Phase 3, either party may terminate the Agreement upon 15-days' prior written notice, whereupon the parties shall have no continuing obligations to one another, except for the Town's obligation to pay Design and Budget Team Contracts costs incurred prior to said termination.
  - d. **Phase 4, Completion and Approval of the Development and Operations Budget:** If and when Phase 3 is accomplished, the Non-Profit shall oversee the preparation by the Design and Budget Team of cost estimates, projections, feasibility analyses, operational costs estimates and a development budget to



design, construct and operate the Museum (the "Development and Operations Budget"), provided that the Technical Work Group shall be utilized to ensure the Town's participation in that process. The Town shall review and approve the Development and Operations Budget prior to the parties proceeding to Phase 5. The Town's review shall include, and the Development and Operations Budget (if approved) shall explicitly address:

- the estimated cost to design and construct the Museum in accordance with the Conceptual Plans (as the Conceptual Plans may be modified by agreement among the parties);
- the estimated costs to operate the Museum (which, if the Museum is completed as anticipated by the Agreement, the Town shall agree to pay); and
- estimated revenues to be generated by the Museum (and the manner in which the Town and the Non-Profit shall allocate those revenues).

If the Town and the Non-Profit are unable to agree upon the Development and Operations Budget within \_\_\_ days following the commencement of Phase 4, either party may terminate the Agreement upon 15-days' prior written notice, whereupon the parties shall have no continuing obligations to one another, except for the Town's obligation to pay Design and Budget Team Contracts costs incurred prior to said termination.

- e. **Phase 5, Completion and Approval of the Museum PS&E:** If and when Phase 4 is accomplished, the Non-Profit shall oversee the preparation by the Design and Budget Team of the plans, specifications and estimates for the construction of the Museum (the "Museum PS&E"), provided that the Technical Work Group shall be utilized to ensure the Town's participation in that process. The Town shall review and approve the Museum PS&E prior to the parties proceeding to Phase 6. The Town's review shall include, and this phase shall address, any changes to the Development and Operations Budget resulting from (i) the further refinement of the original cost estimate for the Museum based on the Conceptual Plans in light of the Museum PS&E, (ii) agreed upon changes to the Museum's design generally, or (iii) other factors. If the Town and the Non-Profit are unable to agree upon the Museum PS&E and any indicated changes to the Development and Operations Budget within \_\_\_ days following the commencement of Phase 5, either party may terminate the Agreement upon 15-days' prior written notice, whereupon the parties shall have no continuing obligations to one another, except for the Town's obligation to pay Design and Budget Team Contracts costs incurred prior to said termination.

- f. **Phase 6, Approval and Award of the Museum Construction Contract:** If and when Phase 5 is accomplished, the Non-Profit, with assistance from the appropriate members of the Design and Budget Team, shall oversee the preparation and award of a contract for the construction of the Museum in accordance with the Museum PS&E (the "Museum Construction Contract"), provided that the Technical Work Group shall be utilized to ensure the Town's participation in that process. The Town shall review and approve the Museum

Construction Contract (including the contractor retained thereunder) prior to the parties proceeding to Phase 7. The Town's review also shall include, and this phase shall address, any changes to the Development and Operations Budget resulting from (i) the further refinement of the previous cost estimate for the Museum based on the Museum PS&E in light of the proposed pricing under the Museum Construction Contract, (ii) agreed upon changes to the Museum's design generally, or (iii) other factors. If and when the Town provides the foregoing approval for the Museum Construction Contract, the Town and the Non-Profit shall award and execute the Museum Construction Contract and the Town shall commit to promptly pay all resulting costs incurred in accordance with its terms; thereafter, any modifications to the Museum Construction Contract shall require the Town's written consent, provided that the Town will not unreasonably withhold or delay its consent to modifications that neither (x) increase, in the aggregate, the Town's payment obligations under the Museum Construction Contract more than 10% nor (y) materially modify the Museum as it is described and depicted in the Museum PS&E. If the Town and the Non-Profit are unable to agree upon the terms of the Museum Construction Contract within \_\_\_ days following the commencement of Phase 5, either party may terminate the Agreement upon 15-days' prior written notice, whereupon the parties shall have no continuing obligations to one another, except for the Town's obligations to pay Design and Budget Team Contracts cost incurred prior to said termination.

- g. **Phase 7, Completion of the Museum and Commencement of Operation:** If and when Phase 6 is accomplished, the Non-Profit, with assistance from the appropriate members of the Design and Budget Team, shall oversee the construction of the Museum in accordance with the Museum PS&E and the Museum Construction Contract. Upon completion, the Non-Profit shall commence operation of the Museum pursuant to the Agreement and the Development and Operations Budget (as those items have been modified during the preceding phases), all as generally described in Section IV.B., Operation of the Museum, below.
3. **Technical Work Group:** The Town and the Non-Profit shall form a Technical Work Group composed of representatives from the Town and the Non-Profit, together with such other members representing any other affected quasi-governmental bodies or other entities as the Town or the Non-Profit designates. The Non-Profit will chair and host regularly scheduled meetings which are intended to (a) encourage open and continuous dialogue between the various participants and (b) facilitate the Town's review of the planning and design phases. The goal of the Technical Work Group is to provide a streamlined information disseminating and approval process, and the representatives designated by the Town and the Non-Profit to the Technical Work Group shall be responsible for conveying project information to their respective organizations (including, with respect to the Town's representatives, all of the appropriate municipal departments, committees, commissions, visitors' bureaus, and the Town Council) and forwarding any requested changes and securing any necessary authorizations as promptly as possible.



**B. OPERATION OF THE MUSEUM:** Upon completion of the Museum, the Non-Profit will commence operation pursuant to the Agreement, upon the following general terms:

1. **Lease Term and Ownership:** The Town shall own full fee simple title to the land and all improvements and fixtures constructed pursuant to the Museum Construction Contract. Except for the rights provided under the Agreement, the Non-Profit shall not have (and shall expressly disclaim) any fee, lien or other rights in the improvements and fixtures constructed pursuant to the Museum Construction Contract. Pursuant to the Agreement, the Town shall lease the Museum and all of the foregoing property to the Non-Profit for twenty-five (25) years, with two (2) ten (10) year extension terms which may be exercisable by the Non-Profit unless the Agreement has been previously terminated due to the Non-Profit's default. The Non-Profit shall own and hold full title to all aircraft, artwork, displays, memorabilia and other materials it places in the Museum at any time (or shall have full contractual rights to display all such aircraft and other materials), and the Town shall not have (and shall expressly disclaim) all statutory or common law landlord's liens or other claims or rights thereto.
2. **The Non-Profit's Operational Obligations:** The Non-Profit shall agree to operate the Museum in a prudent manner, consistent with other air museums of a similar size and scope, and shall devote such reasonable energies to its operation so as to enhance the reputation of the Museum and, consistent with its scope and purpose, maximize its operating revenue. The Non-Profit specifically shall agree to:
  - a. **Displayed Aircraft:** Have at least twenty-five (25) aircraft on display at the Museum at all times, except due to the occurrence of a casualty or other event beyond the Non-Profit's control or during limited periods so as to facilitate maintenance or participation in air shows or other off-site events.
  - b. **Operating Covenant:** Cause the Museum to be open not fewer than     ( )     days a week, from      A.M. to      P.M. on weekdays and from      A.M. to      P.M. on weekends, except for generally recognized holidays or as a result of the occurrence of a casualty or other event beyond the Non-Profit's control or during limited periods so as to facilitate maintenance or participation in air shows or other off-site events.
  - c. **Special Events:** Host, on average, two (2) special events each year at the Museum.
  - d. **Special Programs and Joint Marketing:** Reasonably cooperate with the Town, its visitors' bureau and similar organizations, as well as the school district, in developing and implementing educational and other programs at the Museum, including those undertaken to promote the Town and its attractions and other joint marketing efforts.

- e. **Books and Records:** Maintain current and complete records of all operating expenses and revenues generated by the Museum and, upon request, make them available for the Town's inspection.
- f. **Remittance to the Town:** Timely remit to the Town all amounts owed pursuant to the Agreement and/or the Development and Operations Budget.
- 3. **The Town's Operational Obligations:** The Town shall lease to the Non-Profit the land, together with all improvements and fixtures constructed pursuant to the Museum Construction Contract, for a nominal annual rental in accordance with the Agreement and the Development and Operations Budget. The Town specifically shall agree to:
  - a. **Fund Operating Costs:** In consideration for the allocation of operating revenues to the Town as established in the Agreement and the Development and Operations Budget, timely pay all of the Museum's operating costs, including those for labor, employee benefits, utilities, insurance, security services, advertising, maintenance and repair, taxes (if any), restoration and conservation of aircraft, travel to and participation in air shows, and volunteer and employee uniforms.
  - b. **General Promotion:** Highlight and promote the Museum in the Town's general marketing materials, media publications, advertising, and street signage.
  - c. **Joint Contracting and Usage Rights:** Pursue opportunities to minimize the Museum's operating costs by (i) jointly contracting for services or goods, such as insurance, (ii) providing the Town's facilities, such as auditoriums and proximate parking, to the Museum and its patrons at the Town's actual incremental cost and on a priority subordinate only to the Town's own usage, and (iii) waiving airport usage charges and fees for aircraft rides or other flights provided by the Non-Profit as part of the Museum's operation; without limiting the provisions of Section V.A., below, the Museum shall have an exclusive right to all aviation events held at the Town's airport and no competing events shall be conducted there without the Non-Profit's prior approval.
- C. **OTHER OPERATIONAL AGREEMENTS:** In addition to their specific obligations listed above, the Town and the Non-Profit agree that:
  - 1. **Maintenance by Jani-King:** Insofar as janitorial services for the Non-Profit's current facility are being provided by Jani-King International, Inc. and that company is familiar with the distinctive requirements for maintaining vintage aircraft and related facilities, the Agreement shall authorize the Non-Profit to retain Jani-King for that purpose.
  - 2. **Aircraft Flights:** The Non-Profit currently employs two members of its staff who are licensed pilots, and it offers visitors to its current facility the opportunity to purchase flights on certain vintage aircraft. The parties intend to continue this practice at the Museum, and to maintain sufficient licensed pilots in the employ of the Non-Profit to do so. Museum fees and charges for the aircraft flights shall be



included in the Museum's operating revenues from which the Town receives its allocated share.

3. **Use Agreements.** The Museum may enter into use agreements permitting the Museum to display vintage aircraft owned by third parties, subject to the owners' rights of reasonable access and use of such aircraft.

D. **INTERIM OBLIGATIONS:** If and when Phase 1 is accomplished and the Agreement is fully executed, the Town shall purchase the three (3) hangars currently housing the Non-Profit's vintage aircraft collection and shall lease those facilities back to the Non-Profit for a nominal annual rental. The term of that lease shall extend until the earlier to occur of (1) the \_\_\_\_ ( ) anniversary date of its commencement or (2) the commencement of operation of the Museum. Further, the Town shall assume the Non-Profit's lease of the fourth hangar.

E. **SCHEDULE:** The Town and the Non-Profit desire to complete the Museum by \_\_\_\_, 200\_. To achieve that goal, the parties agree upon the following milestones:

- the negotiation, approval and execution of the Agreement by \_\_\_\_, 2003;
- the selection and approval of the Design and Budget Team by \_\_\_\_, 2003;
- the completion and approval of the Conceptual Plans for the Museum by \_\_\_\_, 200\_;
- the completion and approval of the Development and Operations Budget for the Museum by \_\_\_\_, 200\_;
- the completion and approval of the Museum PS&E for the Museum by \_\_\_\_, 200\_;
- and
- the completion, approval and award of the Museum Construction Contract by \_\_\_\_, 200\_.

Additionally, the parties intend to hold a groundbreaking ceremony for the Museum on December 17, 2003 to correspond with the centennial observance of the first flight.

The Town and the Non-Profit acknowledge and agree that the \_\_\_\_, 200\_ completion date and each of the above-referenced milestones are reasonable and achievable. Both parties shall devote the necessary staff and other resources to meet the foregoing dates and, without limiting the foregoing, shall complete their respective responsibilities (including the preparation of submittal items and the delivery of approvals and comments) with adequate timeliness so as to achieve the foregoing schedule.

#### V. **MISCELLANEOUS PROVISIONS:**

- A. **MUTUAL SUPPORT; NO COMPETING PROPOSALS, ETC.:** The Town and the Non-Profit acknowledge their support for the design, construction, operation, and funding of the Museum upon the general terms outlined in this Term Sheet. Until and unless the review and approval process described in Section IV.A.2. is terminated as provided therein, the Town and the Non-Profit shall (1) take all actions reasonably requested by the other which are consistent with this Term Sheet in the furtherance of the purposes hereof and (2) neither advance nor support any alternative to, or conflicting proposal for, the

development of a facility similar to the Museum or other attraction that reasonably can be expected to adversely affect the Museum or its feasibility. If and when the Agreement is executed, it shall contain similar assurances.

**B. OWNERSHIP OF MATERIALS:** Notwithstanding any provision of common law or statute to the contrary, all materials prepared pursuant to the review and approval process described in Section IV.A.2. shall be co-owned by the Town and the Non-Profit and, irrespective of whether that process is fully completed or terminated after any phase, the Town and the Non-Profit may retain and fully utilize any materials generated thereby. The Design and Budget Team Contracts shall contain the provisions necessary to effectuate the provisions of this section.

**C. OTHER PROVISIONS:** The Agreement also shall include the following provisions:

1. **Notice, Default and Remedies:** A comprehensive and exclusive list of the acts or failures to act that constitute a default, the applicable notice and cure periods (which in no event shall be less than thirty [30] days for any default that cannot be cured by the payment of money), and remedies.
2. **Arbitration of Disputes:** A requirement that all disputes and controversies of any kind between the Town and the Non-Profit be submitted to arbitration pursuant to a procedure utilizing the American Arbitration Association.
3. **Assignment:** The prohibition against the assignment, whether by operation of law or otherwise, of either the Town's or the Non-Profit's rights or obligations under the Agreement, without the express written consent of the other party.
4. **Covenants:** The stipulation that all covenants and obligations of the Town and the Non-Profit under the Agreement are covenants and obligation of said parties only, and no officer, director, trustee, employee, council member or other individual affiliated with said parties shall have any personal obligations or liability thereunder.
5. **Relationship of the Parties; No Joint Enterprise:** The statement that nothing in the Agreement is intended to create, nor shall be deemed or construed by any party as creating, (a) the relationship of principal and agent, partnership or joint venture between the Town and the Non-Profit nor (b) a joint enterprise between the Town, the Non-Profit and/or any other party.
6. **Written Amendments:** The acknowledgement that the Agreement constitutes the entire agreement between the parties with respect to the subject matter thereof and that there are no representations, understandings or agreements which are not fully expressed in the Agreement; further, any change in the agreement, terms and/or responsibilities of the Town or the Non-Profit must be reflected in a written amendment to the Agreement, signed by the Town and the Non-Profit.
7. **Sole Benefit:** The stipulation that the Agreement is entered into for the sole benefit of the Town, the Non-Profit and their respective successors and permitted assigns, and nothing in the Agreement or in any approval subsequently provided by either



party shall be construed as giving any benefits, rights, remedies or claims to any other person, firm, corporation or other entity, including, without limitation, the public in general.

8. **Authorization:** The representation that each party to the Agreement is fully authorized to enter into the Agreement and to perform its obligations thereunder, and that no waiver, consent, approval, or authorization from any third party is required to be obtained or made in connection with the execution, delivery or performance of the Agreement; further, each signatory on behalf of the Town and the Non-Profit, as applicable, shall represent that he or she is fully authorized to bind that entity to the terms of the Agreement.

**VI. EXECUTION OF THIS TERM SHEET:**

If the foregoing is acceptable to you, please execute one (1) copy of this Term Sheet in the space provided below acknowledging your willingness to pursue the negotiation of the Agreement upon the terms set forth herein, and return the executed counterpart to the Non-Profit.

**CAVANAUGH AIR MUSEUM,**  
a Texas non-profit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ACCEPTED AND AGREED:**

**ATTEST:**

**TOWN OF ADDISON,**  
a Texas municipal corporation

\_\_\_\_\_  
Carmen Moran,  
City Secretary

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**APPROVED AS TO FORM:**  
Cowles & Thompson, PC,  
City Attorney

By: \_\_\_\_\_  
Name: \_\_\_\_\_

## Appendix E

**Museums+more Qualifications**

David Ucko has devoted his career to creating ground-breaking educational experiences and attractions. He has managed their development from vision to execution—concept and planning through implementation and operation—on small to large scale. Through exhibits, media, shows, publications and entire museums, Ucko has engaged diverse audiences with content from science, technology and health to history and social impact.

Museums+more LLC was formed and registered in the District of Columbia in 2002 as a means for Ucko to share his expertise with others. He assists organizations with planning, innovation, and sustainability through creating competitive advantage, developing recreational learning experiences, and offering leadership counsel. Recent projects have included advancing The National Public Health Partnership for the National Health Museum (Washington, DC); guiding the U.S. Department of Energy on interpreting the Manhattan Project in Oak Ridge, TN; advising the Children's Science Explorium for the City of Boca Raton, FL; planning renewal of the East Texas Oil Museum for Kilgore College; and helping conceptualize a major national traveling exhibition for the Arizona Science Center. Other clients include the City of Rockville, MD (Rockville Science Center); Museum of Discovery (Little Rock, AR); and the Chemical Heritage Foundation (Philadelphia, PA). Ucko also has been assisting the National Science Foundation as Section Head for Science Literacy and Program Director for Informal Science Education.

Highlights prior to formation of his consulting practice include:

***Developed strategic educational niche for national outreach.*** As first Executive Director for a new National Academy of Sciences museum, Ucko established its direction as “wholesaler” of the best research underlying current issues in science and technology.

***Led major educational attraction from conception through operation.*** As founding President of Science City at Union Station, Ucko spearheaded the decade-long development of this educational attraction, linchpin for the transformation of Kansas City’s historic landmark into a \$250+ million mixed-use urban entertainment center; included raising \$100+ million private funds.

***Conceived pioneering “recreational learning” approach.*** While serving as Kansas City Museum President, Ucko created the novel Science City concept of engaging visitors in learning adventures by combining hands-on discovery from science centers with immersive environments from theme parks and costumed role-playing characters from theater.

***Established new exhibit directions.*** As Vice President for Chicago’s Museum of Science and Industry and Deputy Director for the California Museum of Science and Industry, Ucko produced innovative interactive exhibitions such as “My Daughter, the Scientist,” “Technology: Chance or Choice?,” “HealthWorks,” and many others.

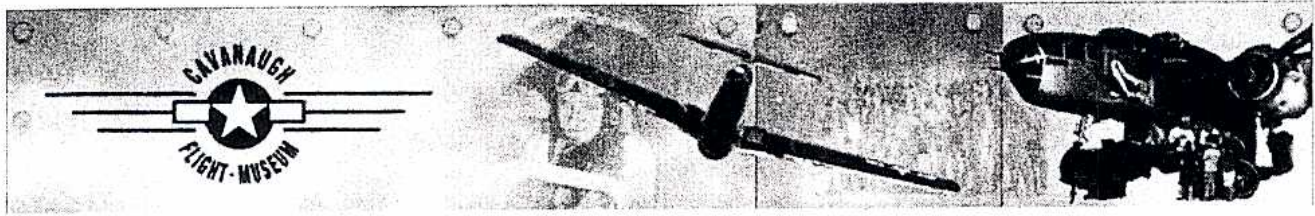
***Created novel learning approaches.*** As professor at Antioch and CUNY, Ucko published textbooks and created self-teaching A/V modules that enhanced student learning.



Based on these and other achievements, Ucko has been recognized through:

- Presidential appointment, confirmed by the U.S. Senate, to the 15-member National Museum Services Board, which guides the Institute of Museum and Library Services;
- Designation as a Fellow by American Assn. for the Advancement of Science;
- Inclusion by *The Kansas City Star* among "The 150 Most Influential Kansas Citizens";
- Appointment by the Assn. of Science-Technology Centers to chair its Legislative and Publication Committees and by the American Assn. of Museums to its Accreditation Visiting Committees and Honors Committee;
- Citation in *Who's Who in America* and other leading biographical references.

David Ucko received his Ph.D. from M.I.T. (1972) and B.A. from Columbia College (1969), where he was named a Woodrow Wilson Fellow. He has completed the Leadership Development Program of the Center for Creative Leadership.



# Proposal to Provide a Feasibility Study for the Cavanaugh Flight Museum

Prepared for:

**Town of Addison  
Financial and Strategic Services**

Prepared by:

**ConsultEcon, Inc.**

**August 9, 2005**





August 8, 2004

Office of the Strategic Services Manager  
City of Addison  
Addison Finance Building  
5350 Belt Line Road  
Addison, TX 75254

**RFP # 05-31 – Feasibility Study for the Cavanaugh Flight Museum**

Dear Sir(s)/Madam(s):

In response to your RFP, ConsultEcon, Inc. is pleased to present this proposal to evaluate the feasibility of the proposed expansion of the Cavanaugh Flight Museum in Addison.

This proposal includes the following:

- ◆ Description of the Firm
- ◆ Proposed Phased Scope of Services
- ◆ Proposed Study Schedule
- ◆ Management Approach and Consulting Results
- ◆ Staffing
- ◆ Project Timing and Budget
- ◆ References
- ◆ Addendum: Resumes and Firm Qualifications/Experience

The market and economic analyses as requested in the RFP are specifically ConsultEcon's primary services and expertise. We specialize in evaluating the market potential for new museums and museum expansions and we prepare business plans and evaluate project economic impacts. We have long standing experience and qualifications in these areas. All of this work would be conducted "in-house" by seasoned personnel. Principals of the firm will conduct on-site visits and prepare the key analyses and findings. Mr. Robert E. Brais, ConsultEcon's Vice President, had the opportunity to tour the Cavanaugh Flight Museum in 2002 with Mr. Ron Whitehead. Mr. Brais was impressed with the collection and the opportunity that the Museum represents.

In order to better meet your possible needs in this phase of museum planning, we have added to our team for optional services, RDG Shutte Wilscam Birge (RDG). RDG has considerable expertise and experience in the planning and design of aviation museums, and could prepare concept images or a preliminary program of spaces to support the market study and facility planning.

*ConsultEcon, Inc.* was founded in 1991 to provide economic research and management consulting services to clients in the areas of project and plan concept development, feasibility evaluation and implementation. Much of our work is in the fields of museums, visitor centers, visitor attractions and tourism development. Our firm builds on the long experience of the principals in these areas, with special expertise and experience in not-for-profit attractions; and in preparing tourism development strategies for various cities, counties and regions. The staff of ConsultEcon, Inc. has conducted over 500 studies including business plans, market and financial feasibility studies, operations analyses and economic impact studies for existing and proposed museums, large format theaters (such as IMAX), visitor centers, halls of fame and other visitor attractions.

Our work in museum and visitor attraction planning typically focuses on issues related to market support visitation projections, facility pricing and marketing, business operations, economic feasibility and project economic impacts. We generally work with client representatives as well as architects, engineers and other related professionals on new projects, project expansions and master plans. Our work sets the framework for other professionals in terms of overall visitation levels, seasonality of visitation, cost return trade-offs, and related issues critical to successful planning. Projection of the economic impacts of visitor attractions is also a specialty of our practice.

ConsultEcon, Inc. builds on the vast experience of its principals in the visitor attractions and tourism industries. Our substantial knowledge of market, financial and operational issues affecting museums and visitor attractions, nationally and internationally is the basis for our work. We maintain detailed industry data on an ongoing basis and call on our contacts and former clients in the museum and attractions industry to discuss the latest trends and emerging issues. Our ongoing work and over 1,800 project reference files provide a vast body of information from which to draw comparable experiences, operating factors and to identify the implementation approaches that are most effective. Our knowledge of the industry helps us to communicate effectively and efficiently with the client group, facility personnel and allied professionals.

Our aviation, military and transportation museum qualifications include the Chesterfield County, VA Aviation Museum; the Virginia Aviation Museum; St. Louis Aviation Museum (Parx Flightworks); the USS Saratoga Museum; and the Georgia Auto Racing Hall of Fame. In Texas we have worked on area master plans in Dallas and Fort Worth, and for the Texas State Aquarium on their recent expansion in Corpus Christi, among others.



## **PROPOSED SCOPE OF SERVICES**

### **Phase I - Market Study and Attendance Potential**

#### **Task I-1. Project Initiation**

ConsultEcon, Inc. will meet with the Town of Addison and Cavanaugh Flight Museum leadership. Our initial meeting, site tour and investigations will focus on the following:

- ◆ Review the current operations and attendance profile of the Cavanaugh Flight Museum.
- ◆ We will tour the existing Cavanaugh Flight Museum to see the latest changes and to discuss the expansion plan;
- ◆ Visit the site and the surrounding area.

#### **Task I.2. Site Evaluation**

Our site review will include accessibility, visibility, parking potential, adjacent and nearby uses, site potential and other relevant factors from a market perspective. We will evaluate the type, layout and quality of the building to be reused and other relevant factors from a market perspective. We will also review the Museum interpretive concepts as currently conceived. Changes in the marketplace, new attractions, accommodations, marketing initiatives, and so forth that are affecting the cultural, tourism and leisure environments in the area will be evaluated.

#### **Task I-3. Market Review**

In this task, we will prepare a concise review of the size, characteristics and trends of the resident and tourist markets available to the expanded Cavanaugh Flight Museum.

**Task I-3.1. Define Market Segments.** Work in this task will define the potential market segments for the Cavanaugh Flight Museum, to include both resident and visitor markets. Market segments might include:

- ◆ Local and regional residents.
- ◆ School and other groups.
- ◆ Groups potentially using the facility for receptions, meetings and events.
- ◆ Visitors to the region -- especially tourists and those visiting friends & relatives (VFR's).

**Task I-3.2. Resident Market Profile.** Work in this task will define the resident market reach for this project. The resident market will be segmented into primary, secondary and tertiary markets, as may be appropriate. We will examine the current and projected population of the defined areas. The characteristics of the resident market area population will also be examined including population trends, age profile, family characteristics, and income profile.



**Task I-3.3. Tourist Market Profile.** Work in this task will assess the visitor market segments to the Addison area and the Dallas Metro area overall. Market characteristics that will be investigated, to the extent data are available, may include: number of visitors, place of visitor origin, length of stay, activities while in the area. Absent comprehensive quantitative data on certain topics, we will extrapolate from other existing data and interviews with individuals knowledgeable of area tourist markets.

**Task I-3.4. Experience of Area Educational, Cultural and Entertainment Attractions.** Attendance patterns, ticket prices and visitor characteristics of selected visitor attractions in the Addison area and the larger Dallas Fort Worth Metroplex will be profiled. While the area's educationally oriented attractions will not always be comparable in market appeal or in size and attendance potential to the Cavanaugh Flight Museum, they will help to establish visitation parameters. These will be reviewed for the visitor experience offered, the type of location, pricing and the type and size of resident and tourist markets available. The local project evidence will be applied, as appropriate, to the assessment of visitation potential at the expanded Cavanaugh Flight Museum.

The many festivals in Addison will be profiled, and their potential for supporting attendance at the Cavanaugh Flight Museum will be investigated based on interviews with project sponsors, and the profile of festival attendees.

The extent and experience of aviation events in the Dallas-Forth Worth metroplex will also be investigated and profiled. This will include to the extent data is available attendance, ticket prices, programming and other relevant data.

#### **Task I-4. Aviation Museum Market Trends**

The experience of other aviation museums provide benchmarks for the market potential evaluation and operating plan. The experience of similarly-scaled aviation museums in communities of comparable size and characteristics will be the focus of the comparables analysis. We maintain extensive project reference files on over 1,800 museums, visitor interpretive centers, and attractions in North America including many aviation museums. We will utilize this resource in our evaluation of visitor market potential.

The comparable museums will be evaluated for critical factors such as facility size, market characteristics, attendance, and pricing. These data will provide substantial insights into project market and operating potential. In addition, three to four aviation museums will be identified with the client group's input for closer evaluation on the above factors, but also factors such as attraction description, location, student use, expansions, non-earned revenues and operating expenses and competitive/comparable factors. These comparable facility data will be presented in concise tabular format with a narrative discussing findings and lessons learned.

A profile of the air show market will be included as a major business segment of many aviation museums as well as independently sponsored shows. This will include attendance, revenue and operating costs. The comparable project evidence will be compared and applied to the Addison



situation. This benchmarking work will include available data on segments of attendance, market penetration rates and ticket prices.

#### **Task I-5. Attendance Potential**

A five-year attendance potential analysis for the expanded Cavanaugh Flight Museum will be prepared. The analysis will take into account attendance patterns at the current Cavanaugh Flight Museum, the national experience of aviation museums, the results from the resident and tourism market analyses and other relevant factors that will be uncovered during the course of the study effort. This will use a "market penetration" range for the various market segments including primary and secondary markets and for tourist markets. The ability to "induce" additional visitation for events and aviation events will be estimated. In addition, attendance patterns such as seasonality, peak day and other important factors will be evaluated and forecast. Tradeoffs against various pricing policies will be prepared, and sensitivity testing of key variables will be conducted.

### **Phase II. Cavanaugh Flight Museum Operating Plan**

Based on the foregoing review, ConsultEcon, Inc. will prepare an operating plan for the expanded Museum that includes revenues and operating expenses including personnel plan. The focus of the plan will be to establish a sustainable successful museum that operates efficiently within the context of its market opportunity and capitalization.

**Task II-1. Expanded Museum Ticket Pricing Potential.** The proposed admission fees for the expanded Museum will relate to the size and scope of the facility program, audience make-up and attendance goals, and the admission prices at other comparable attractions nationally and in the region. This analysis will recommend ticket prices for types of visitors, and estimate audience make-up between adults, children, group, members and complimentary attendees. Establishing a balance between pricing policies and attendance estimates is important to establishing the operating potential of the expanded Cavanaugh Flight Museum.

**Task II-2. Museum Revenue Sources.** Earned revenue potential for the expanded Museum will be projected through ticket sales, membership, auxiliary income, support group, and retail or food service aspects of the program. These will be based on proposed pricing policies, the experience of comparable facilities and the physical program being evaluated, as well as the projected attendance potential. Other non-earned revenue in place, identified or needed, will be included in the revenue projections. This might include government or private support, endowment, gifts and grants, etc.

**Task II-3. Expanded Museum Personnel Plan.** Based on the existing Cavanaugh Flight Museum organizational profile; the profile of other comparable flight museums and ConsultEcon's experience in preparing operating plans for hundreds of other museums. A personnel plan consistent with the experience of comparable facilities, the in-place experience and the planned facility size and proposed program of exhibitions, events and activities will be prepared. A preliminary salary structure and fringe / benefits costs will be defined.



**Task II-4. Expanded Museum Operating Expenses.** We will create Museum operating budgets in addition to the personnel plan to maximize project feasibility. These will be based on current Cavanaugh Flight Museum operations and the profile of comparable facilities. Operating expense projections will be categorized by major areas such as administration, marketing, curatorial and interpretation, programs and events, utilities, maintenance, capital reinvestment, personnel and other operating expenses.

**Task II-5. Expanded Museum Ongoing Operations Pro Forma Analyses.** Based on the results of previous tasks, a set of five-year pro formas of revenue and operating expense potential for the expanded Museum will be prepared. These will be presented along with detailed tables, as annotated operating pro formas with accompanying notes and explanation. Any need for operating support will be identified. These analyses will be submitted in draft form for input and review with the final report reflecting this input. The focus of these evaluations will be on long-term sustainability of the operations.

### **Phase III. Economic Impacts of Proposed Expanded Facility**

This task will evaluate economic impacts from expanding and operating the Cavanaugh Flight Museum, as well as the quality of life benefits the project can create.

#### **Task III.1. Economic Impacts and Fiscal Revenues due to Project Construction**

- ◆ Analyze estimated construction budget by expenditure category. Estimate portions expended in Texas. Estimate the proportion expended for wages and salaries, and based on wage data in the State, estimate direct person-years of employment during the construction phase.
- ◆ Use U.S. Department of Commerce, Bureau of Economic Analysis, RIMS II multiplier techniques to estimate the indirect and induced economic activity generated by the construction period, including person-years of employment, wages and salaries and total economic output.
- ◆ Apply appropriate State tax multipliers to total wages and salaries (including multiplier effects) to estimate State income taxes. (Direct effects are a sub-set of total effects.)

#### **Task III.2. Economic Impacts Due To Ongoing Operations**

- ◆ Estimate total wages and salaries of Museum employees.
- ◆ Estimate the direct spending at the Museum and net new off-site spending due to visitation, by expenditure category. Data sources may include local and regional tourism and visitor's organizations. Categorize direct expenditures by sales tax status (taxable, untaxable).
- ◆ Use RIMS II multiplier techniques to estimate the indirect and induced economic activity generated annually due to visitor spending including person-years of employment, wages and salaries and total economic output. Indirect and induced impacts plus direct effects equals total impacts.



### **Task III.3. Fiscal Revenues Due To Ongoing Operations**

- ◆ Apply State tax multipliers to direct employee wages to estimate State sales and income taxes, as appropriate. Apply estimates of portions of sales that would occur in local jurisdictions and attribute taxes to these jurisdictions.
- ◆ Apply state and local sales and accommodations tax factors as appropriate to direct net new taxable sales that would occur due to the operation of the expanded Museum. Apply estimates of the portions of sales that would occur in Addison and in other areas of Texas to total sales. Attribute the appropriate portions of sales taxes to these jurisdictions and to the State as a whole.
- ◆ Apply State income tax multipliers as appropriate to total wages and salaries due to the project (including multiplier effects) to estimate State income taxes that would accrue indirectly due to the project.

### **Task III.4. Qualitative Assessment of Economic Benefits**

A qualitative assessment will be made of the positive effects that the Museum will have on Addison, the County, and the State of Texas as a whole. These might include improvements to quality of life, enhancement of the regional tourism economy, educational benefits to regional students, and publicity for the area.

### **Draft and Final Reports, Report Presentation**

A concise draft report will be prepared and distributed for client review. Client comments and questions will inform the final market and operations analysis to be submitted after client review. Based on comments on the draft report, the study will be amended as needed and the final report will be issued. We will present our findings in a forum of the client's choice.

### **PROPOSED STUDY SCHEDULE**

The work outlined in this scope of services could be accomplished within a 10 to 12 week period or consistent with the overall schedule for the project. We have the organizational capacity and expertise to provide quality services in a timely manner.

### **MANAGEMENT APPROACH AND CONSULTING RESULTS**

ConsultEcon's primary focus is in market and operations of new and expanding museums. This requires senior experience, access to data on a variety of museums developed over the years and a proven analytical technique. At ConsultEcon we use a team approach with in-depth Principal involvement on every assignment. Each report section is subject to a detailed "peer review" process for form, content and conclusions. The findings and recommendations are based on the assigned professional team's work and then presented in an open company forum for discussion, review and revision. We provide clients with draft reports, and respond to questions and comments until they are completely satisfied. We conduct our work with the strictest integrity both because the nature of our work demands it, and because we value the faith our clients place in us. We meet with our clients at project commencement to make any needed adjustments to our work plan and to ensure we fully understand their requirements and project goals. We



communicate with our clients on an on-going basis to keep them abreast of our progress and findings, and provide summary presentations at the detail level required. Often these are PowerPoint presentations that synthesize key assumptions, data, analyses and findings.

Our reports are thorough, detailed and understandable, with chapter summaries and an executive summary suitable for separate distribution. As with any project planning process there are no certainties about future performance. However, sound planning provides the basis for future success and optimum development of the facility and its organization. We have a successful track record of executed projects and of our attendance projections. Our feasibility studies have proven to be useful guides to project development and operation.

The principals of the firm have decades of experience in economics consulting. We work on a fee for services basis in which we deliver reports and advice to clients on a timely basis within the fees established in our contracts. On those occasions where the client desires additional services beyond the contracted scope of services, we will work on an hourly or detail rate; or we will amend our contract. We deliver our services within budget and timeframe except when specifically directed otherwise by our client.

## **STAFFING**

For this assignment, Robert E. Brais, Vice President, would be Project Manager and Thomas J. Martin, President, would be Principal-in-Charge. They would be assisted by Elena Kazlas, Senior Associate, who would conduct selected analyses, provide technical assistance and review report sections. Some or all of these personnel have been involved in or were principal authors of the consulting projects described in our qualifications or used for references. Robert Brais and Thomas Martin will contributed approximately 40 percent of project hours; Elena Kazlas 25 percent; and staff associates approximately 35 percent for baseline research, report editing and proofing.

## **Additional Optional Services**

Based on the requirements of the Client, we would also be available to consult on a per diem, time-and-materials basis or on an add-on scope of services for additional trips to Addison or presentations, additional operating and financial analyses above and beyond those included above, primary market research such as focus groups and so forth. These services could be provided at an additional cost on either an hourly basis at our normal billing rates, or on a set fee for services basis as appropriate.

RDG Shutte Wilsam Birge (RDG) has been added to our team on an optional services basis. The client has the opportunity to add RDG to this process to provide initial insights to interpretive approaches, conceptual development budgets; to prepare concept images or a preliminary program of spaces. These would support the market study and facility planning. RDG would work only as defined in an add-on contractual basis.



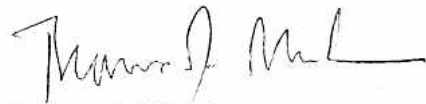
## PROJECT TIMING AND BUDGET

The professional fee for Phase I is \$25,000. The fee for Phase II is \$10,000, and Phase III is \$10,000. Each phase of the study includes a trip to Addison. The results of Phase I would be presented in the "Phase II kick-off trip." Direct expenses for travel, subsistence, communications, research materials, and other direct expenses will be billed in addition to the professional fee, at a rate of 110 percent (cost plus 10% administrative and handling fee). Total direct expenses for all three Phases will not exceed \$6,600 (or \$2,200 for each phase) without prior client authorization. If this proposal is acceptable, we will execute a mutually agreed-upon contract with the City of Addison.

We trust that this scope of services is responsive to the RFP. Should you feel any modification of the scope is desirable or have any questions, please do not hesitate to call.

In summary, ConsultEcon, Inc. has the experience and expertise to successfully prepare a market study, operating plan and impacts analysis that will provide a strong basis for testing project feasibility; and a basis for the business plan for the expanded Cavanaugh Flight Museum. We were impressed with the Cavanaugh Flight Museum and Addison when we visited a few years ago with Ron Whitehead. We hope to have the opportunity to help the Museum grow and thus to improve the quality of life in Addison while honoring its rich aviation heritage.

Very truly yours,



Thomas J. Martin  
President



Robert E. Brais  
Vice President



*bobbrais@  
consultecon.com*

## REFERENCES

### Science Museum of Virginia Projects

**Virginia Aviation Museum Expansion: Richmond, VA** - This aviation museum has an outstanding collection of historic aircraft, and is located in one of the birthplaces of aviation. A major expansion to over four times its current size would allow it to not only display more aircraft and artifacts, but to greatly enhance interpretation and visitor experience with interactive exhibitry. An in-depth feasibility study was prepared that is the basis for an operating plan for the new facility.

**Belmont Bay Science Center: Belmont Bay, VA** - This project evaluated the feasibility of the development of a Science Center as part of the Belmont Bay "new town" project. This facility would be part of the Science Museum of Virginia consortium. In addition to a science center, the planned IMAX theater market potential was also evaluated. Important issues included in the work were critical mass of attraction content, regional competition, and pricing issues. The analysis included resident market characteristics, available tourism and "pass-through" travelers on Interstate 95, and a review of comparable projects nationally. The feasibility study included attendance potential, optimal pricing strategies, operating profile and financial projections. The economic impacts of the project on the regional economy were estimated.

### **Danville Science Center Expansion : Danville, VA**

This science center is part of the Science Museum of Virginia system. It provides important services in its region. We evaluated an expansion plan that would more than double the museum in size and greatly expand its service delivery.

**Contact:** Jack Parry, Deputy Director for Administration and Support  
Science Museum of Virginia  
2500 West Broad Street  
Richmond, VA 23220  
(804) 367-1075

**Chesterfield County Airport Aviation Museum: Richmond, VA** - This busy general aviation airport is being considered as a site for an aviation museum that focuses not only on its aviation heritage, but on translating aviation concepts to science education. A large format film theater would round out the visitor experience. ConsultEcon prepared a market study, conceptual program of spaces, and operating plan. The potential for aviation events was an important part of this plan and the feasibility study. This project is moving forward in the planning process.

**Contact:** Mr. Charles Dane, Airport manager  
Chesterfield County Airport  
7511 Airfield Drive  
Richmond, VA 23237  
(804) 743-0771



**Nauticus/USS Wisconsin: Norfolk, VA** - For Nauticus, the National Maritime Museum, ConsultEcon led a multi-disciplinary team that evaluated a number of governance, operations, market and economics issues. Nauticus is operated as a City Department, with the support of multiple independent and advisory boards. This study evaluated a series of actions to improve governance, operating efficiency and the overall market potential and internal self-sufficiency of the facility. Several components were evaluated, including: the Nauticus Maritime Museum, the Hampton Roads Naval Museum as a tenant, a new cruise ship terminal, and the integration of the Battleship *USS Wisconsin* as a new exhibit. Governance options evaluated included continuing as a City Department, consolidating the three Boards of Directors supporting the site, and a hybrid approach. Options for integrating the visitor experience were also included in the study. A series of recommendations addressing each of these issues was prepared based on a technical process and substantial leadership interactions and consensus building exercises. The recommendations of the team are now being implemented.

**Contact:** Mr. Rich Conti  
City of Norfolk, c/o Nauticus  
One Waterside Drive  
Norfolk, VA 23510  
(757) 664-1007

**Texas State Aquarium Expansion: Corpus Christi, TX** - Conducted a market feasibility study of the potential expansion of the Texas State Aquarium with a new dolphin wing. This work included Aquarium baseline analysis, a review of expansions at other facilities, market segmentation, an analysis of factors affecting future visitation, and economic potential. This expansion was recently successfully opened.

**Contact:** Mr. Tom Schmid  
Texas State Aquarium  
2710 N. Shoreline Boulevard  
Corpus Christi, TX 78402  
(361) 881-1242

**Evaluation of *The USS Saratoga*: Quonset Point, RI** - Prepared a market and operating analysis as a portion of the business and development plan for the permanent berthing of the *USS Saratoga* at Quonset Point as an educational attraction. This market and operating analysis was prepared in conjunction with other ongoing planning activities for the project. We also prepared an economic impact analysis for the *USS Saratoga* at Quonset Point, and are continuing to work with the Foundation.

**Contact:** Mr. Frank Lennon  
USS Saratoga Museum Foundation  
37 Cathedral Avenue  
Providence, RI 02908  
(401) 831-8696

## **RESUMES AND QUALIFICATIONS**

**ConsultEcon, Inc.**



**Thomas J. Martin, President**

Mr. Martin is President and founder of ConsultEcon, Inc., a national and international management and economic development consultancy. He has over 30 years experience in providing consulting services to the museum, travel, tourism and recreation industry, and historic preservation community. In addition to consulting on individual museums and attractions, Mr. Martin has been involved in site-specific projects, area-wide studies, national strategy plans, and research and development in the recreational attractions field. Recent work includes a national visitor center strategy for NOAA's Marine Sanctuary System, feasibility studies for the West Kowloon Cultural District in Hong Kong, a relocation and expansion study for the Flandrau Science Center in Tucson, a visitor center strategy for Jamestown, Virginia, Trinity River regional park visitor center development in Dallas, feasibility and business planning for the Las Vegas Springs Preserve Heritage Park in Las Vegas Nevada, and expansion studies for the Museum of Discovery and Science in Fort Lauderdale and the Mississippi River Museum in Dubuque, Iowa.

Mr. Martin has had extensive experience in recreational and visitor attractions planning. In the area of museum, aquarium, and zoo development, Mr. Martin directed an analysis of the market and financial feasibility for proposed or existing projects in states such as Massachusetts, Oregon, Connecticut, Ohio, California, Michigan, Arkansas, Maryland, Florida, and Virginia; development planning of the Laumeier International Sculpture Park in St. Louis; assistance in economic evaluations for the Milwaukee County Zoo; evaluation of a performing arts development in Stamford, Connecticut; and analysis of various commercial recreation projects for private clients. He recently completed a strategic alternatives analysis for the Akron Civic Theatre. He directed work on a feasibility study for a Center for American Music in New Haven, as well as for the History Museum of Upcountry South Carolina in Greenville. Other clients have included the Boston Museum of Science, the Boston Children's Museum, Old Sturbridge Village, Mystic Seaport, and the Norwalk Maritime Center. Mr. Martin's work has included an evaluation of management options for the Jacob Javits Convention Center in New York City; a development and management plan for the Oleta River State Park in Miami; a recreation center development strategy for Fairfax County, Virginia; and an economic impact evaluation of the New York State Urban Cultural Parks Program.

Mr. Martin's educational background includes a B.A. degree from Southern Illinois University and a Master's degree in planning from the University of Washington; he has partially completed the requirements for an advanced degree in geography. Mr. Martin is a member of the American Institute of Certified Planners, the Travel and Tourism Research Association, the Urban Land Institute, the National Parks and Recreation Association, and the American Association of Museums. He has lectured at a number of universities and is co-author of ***Adaptive Use: Development Economics, Process and Profiles*** (Urban Land Institute), a publication which outlines the real estate development process for historic buildings and sites.

Mr. Martin is the author or co-author of over three hundred technical project studies related to cultural and recreational facilities development, tourism development and economic feasibility evaluation. Mr. Martin has had experience with presentations and interviews on radio and television. Among his presentations are: "Arts and Cultural Districts" presented in Madison, Wisconsin; "Feasibility Studies and Public Finance," presented to the National Federation of Municipal Analysts, "Trends in the Market Environment," presented to the National Assembly of Local Arts Agencies, "Financing Wild Kingdoms," presented to a conference sponsored by the Audubon Institute in New Orleans; "Economic Impacts of Recreation Projects," presented to the U.S. Conference of Mayor's Leadership Institute; "Market Strategies for Tourism Development on American Indian Reservations" presented to the National Native American Tourism Seminar, sponsored by U.S. Department of Interior, Bureau of Indian Affairs in Washington, D.C.; "Maximizing Land-Based Recreation Resources; presented at a *National Recreation and Parks Association* Conference; "Assessing Economic Feasibility for Recreational and Tourism Development Projects" presented at the *National Council on Urban Economic Development* Conference; "Business Planning for Visitor Attractions," presented at the American Zoological Association Annual Meeting; and "Right-Sizing Your Museum Expansion, " at the American Association of Museums Annual Conference.



## **Robert E. Brais, Vice President**

Mr. Brais is a consultant to an array of client types including national, state and local governments and agencies, non-profit institutions, developers, financial institutions, corporations and universities. He has been identifying success strategies for development projects and existing institutions since 1984. Services provided by Mr. Brais include: highest and best use and market support studies, strategy formulation, land economics, economic and fiscal impact assessment, and development approvals process assistance. Financial analyses range from preliminary feasibility studies to complex development pro formas, operational programs and business plans for major projects. State-of-the-art financial analysis techniques include sensitivity testing and discounted cash flow. Project types include museums, visitor centers, aquariums, tourism and park studies.

Examples of Mr. Brais' museum and visitor center market and feasibility assignments include the Santa Cruz Museum of Natural History, Gettysburg National Military Park, the USS Saratoga Museum in Rhode Island, Connecticut's Old State House in Hartford, CT, the Mississippi River Center in Dubuque, IA, and the Tampa Museum of Art. In the area of aquariums and zoos, Mr. Brais has prepared feasibility studies, expansion analyses and operating plans for the Monterey Bay Aquarium, the New England Aquarium, the Buffalo Zoo, the Oklahoma City Zoo and many others.

Realistic financial feasibility analyses and detailed operating plans are a hallmark of Mr. Brais' contributions to the planning of new and expansion projects. He has provided detailed plans for major institutions such as the Cleveland Botanical Garden, National Aquarium in Baltimore and the Museum of Discovery and Science in Ft. Lauderdale, and smaller museums such as the Flint RiverCenter in Albany, GA, and the U.S. Mint Museum in Washington, DC. He has also reviewed project economics for government bodies and funding sources.

Arts and entertainment related projects include feasibility studies and operating plans for the Spartanburg Center for the Arts; the Bomes Theater in Providence; an expanded Goodspeed Opera House in East Haddam, CT; and a plan for a community arts center in Quincy, MA. In Bethel, NY, he prepared a plan for the visitor center at the "Woodstock" performing arts center.

Area-wide tourism studies can be important in increasing the use of an area's resources. Mr. Brais' work has included a heritage tourism strategy for Western New York, visitor potential studies for Boston's Charles River Basin Master Plan, the Woonasquatucket River Greenway in Providence, RI, and a heritage plan for Wheeling, WV. Master plans include the Las Vegas Springs Preserve and Niagara Parks (Niagara Falls) Ontario.

Mr. Brais also has extensive experience in analyzing real estate, including housing, office, retail, restaurant, hotel, conference center, commercial, parking and marinas. For historic Faneuil Hall in Boston, MA, he developed a retail strategy in keeping with the historical nature of the building. In Austin Texas, a conference center concept and feasibility analysis was prepared for adaptive reuse of an existing housing structure. In Little Rock, AR, he evaluated a destination entertainment and commercial center. In Iowa he prepared an economic evaluation for "destination State Parks" that would include lodging, commercial and recreational uses.

Economic and fiscal impact evaluations are often necessary for project cost-benefit analysis, and to garner public support and funding. Mr. Brais has evaluated the economic impacts of the Glens Falls Civic Center in Glens Falls, NY and visitor attractions such as the Mystic Aquarium and the restoration of Frank Lloyd Wright's Darwin Martin House. A tourism strategy economic impact analysis was prepared for the City of Pittsfield, MA. For the PIER Research Laboratory and Visitor Center, he projected fiscal revenues to the City of Oceanside, CA from visitor sales and parking fees. He also estimated the impacts of the Master Plan for the Indianapolis Zoo.

Mr. Brais was formerly a principal in the economic consulting firm Economics Research Associates. Prior to his consultant practice, Mr. Brais was a Project Officer for the Marathon Group of Companies, a development, syndication and real estate advisory firm. Mr. Brais also has retail management experience. Mr. Brais holds an M.B.A. from the University of North Carolina At Chapel Hill and a B.A. in Economics and Political Science from Boston College.



## **Elena Kazlas, Senior Associate**

Ms. Kazlas has over eleven years of national and international experience in the development and operation of not-for-profit and for-profit aquariums, museums and other visitor attractions. Her experiences have encompassed project management, business development, strategic planning, business planning, pre-opening cost analysis, operational analysis, capital cost analysis, site analysis, program and concept development, marketing, and exhibit development and promotion.

Since joining ConsultEcon/Office of Thomas J. Martin, some of Ms. Kazlas' work has included market and feasibility analysis, including operational and business planning, for new museum projects, aquariums and other education-based attractions. Other projects include feasibility analysis as part of master planning for existing institutions that are planning expansions and/or are seeking guidance in terms of increasing their operating potential. The following is representative of some of Ms. Kazlas' project work at ConsultEcon/Office of Thomas J. Martin: the Laumeier Sculpture Park Master Plan in St. Louis, MO; the Telfair Museum of Art Master Plan in Savannah, GA; the Tampa Museum of Art Master Plan in FL; the Art Museum of Western Virginia Master Plan in Roanoke, VA; the Monterey Bay Aquarium Master Plan, CA; The Conservancy of Southwest Florida Master Plan in Naples, FL; the University of Arizona Science Center in Tucson, AZ; the Flint RiverCenter in Albany, GA; NOAA's Regional Interpretive Strategy for the California National Marine Sanctuaries; Gulf of Farallones National Marine Sanctuary Interpretation in San Francisco, CA; the Hartford Historical Society, CT; the Tucson Aquatic Center, AZ; an Aquarium and Conference Facility in Atlanta, Georgia; the Indianapolis Zoo and White River Gardens Master Plan, IN; the Iowa CHILD Rainforest, Aquarium and Education Center, IA; Tennessee Aquarium Expansion in Chattanooga, TN; and the proposed Belmont Bay Science Center in Belmont Bay, Virginia.

Prior to joining ConsultEcon, Inc./Office of Thomas J. Martin, Ms. Kazlas worked for over seven years for International Design for the Environment Associates, Inc. (IDEA) as a project manager and economic analyst. While with IDEA, Ms. Kazlas was the project manager for the non-living exhibits element of the Oceanário de Lisboa in Portugal that opened for the World Expo in May of 1998. She also completed pre-opening cost analysis, operating cost analysis, business planning and market analysis, either in whole or in part, for such projects as the Oberhausen Aquarium, Germany; Iowa Child, which includes a rainforest, aquarium, large format film theater and educational components, in Des Moines and later Cedar Rapids; an Aquarium and Water Park in Shanghai, China; New Bedford Oceanarium, MA; Marine Mammal Pavilion at the Virginia Marine Science Museum, VA; Düsseldorf Aquarium, Germany; Montréal Aquarium, Canada; Mindelo Aquarium and Visitor Center, São Vicente, Cape Verde; Cala Gonone Aquarium, Dorgali, Sardinia; Atchafalaya Visitor Center and Aquarium, Atchafalaya Basin, LA; Miami Aquarium, FL; Middlesborough Aquarium, United Kingdom; and several studies for an Aquarium in Athens, Greece. Ms. Kazlas has extensive experience with the development and analysis of similar attractions throughout the United States, Europe, Asia, South America and the Middle East.

Ms. Kazlas has also worked as an independent consultant to the National Center for Science Literacy, Education and Technology at the American Museum of Natural History in New York City assessing the feasibility of the distribution, through subscriptions, of their new exhibit series to other museums nationally.

Prior to her work with public attractions, Ms. Kazlas worked for the United Nations Development Program (UNDP) in Vilnius, Lithuania from 1992 to 1993 in such areas as economic redevelopment, privatization and social welfare. Ms. Kazlas also drafted the original *Living Conditions Survey* on Vilnius for the UNDP. She is fluent in Lithuanian.

Ms. Kazlas' educational background includes a B.A. in Economics from the University of Massachusetts at Boston, studies in the fine arts with the School of the Museum of Fine Arts and the Massachusetts College of Art, and graduate business course studies at the Harvard University Extension School.



# Qualifications

## ConsultEcon, Inc./Office of Thomas J. Martin Economic Research and Management Consultants

**ConsultEcon, Inc./Office of Thomas J. Martin** provides services to clients in the areas of project and plan concept development, feasibility evaluation and socio-economic impacts implementation, in the fields of Visitor Attractions; Museums; Zoos and Aquariums; Travel, Tourism and Resort Development; Community Economic Development; and Real Estate. Our services include:

**Market and Financial Feasibility Studies:** Evaluation of the market support for and financial feasibility of visitor attractions, museums, recreational attractions, and real estate development projects.

**Business and Master Plans:** Development of business plans and master plans for attractions, museums, real estate and community projects.

**Development Strategies:** Regional and state-and city-wide development strategies focusing on travel, tourism and leisure time facilities and programs.

**Socio-Economic Impact Evaluations:** Analysis of the socio-economic impacts associated with project and program development.

**Project Implementation:** Targeted strategies for achieving project and plan implementation.

**Management and Operational Analysis:** Evaluation of management and operational aspects of programs and projects.

The Principals and staff of ConsultEcon, Inc., have many years of experience serving clients, including developers, financial institutions, government agencies and non-profit organizations. We understand the needs and motivations of the private, non-profit and public sectors. Our staff members have conducted hundreds of studies for a wide range of project types. Much of this work has been in multidisciplinary settings where associated professionals have worked to develop projects, or to generate process-oriented solutions to complex development problems through market, management, and implementation-oriented plans. Many of these projects have been successfully developed. We have extensive experience and expertise in the following areas.

**Museums.** The number of museums in the U.S. has grown substantially over the last quarter-century, and we have assisted the museum community with over 150 assignments during this period. We have recently completed studies for the Mobile Maritime Museum, the Connecticut Historical Society, and the Tampa Museum of Art. We have evaluated living history museums, transportation museums, military museums, children's museums, maritime museums, halls of fame, and various specialty museums.

**Zoos/Aquariums.** Zoos and aquariums have been revolutionized by major new technologies and approaches to animal husbandry. A major reason for the high attendance at zoos and aquariums in recent years is in response to environmental awareness. We have recently assisted the Indianapolis Zoo with their expansion program, and completed a number of feasibility studies for projects as diverse as the Alaska Sea Life Center and the National Aviary in Pittsburgh.

**Science Centers.** Science centers have seen an explosive growth in the last two decades, with major new museums opening and large-scale expansions taking place. We recently assisted the Flandrau Science Center in Tucson by evaluating alternative expansion programs. For the OceanQuest Science Center in New London, CT, we analyzed financing strategies for the Connecticut Development Authority.

**Visitor/Interpretive Centers.** Visitor and interpretive centers have developed as a key part of tourism infrastructures. We have assisted many clients, including the National Park Service and the U.S. Fish and Wildlife Service. We helped to develop a visitor center strategy for the National Marine Sanctuary program and a visitor center strategy for the Pennsylvania Dutch Convention and Visitors Bureau.

**Historic Rehabilitation and Adaptive Use.** Our services in the areas of market and financial evaluation, strategy formulation and implementation often focus on historic and reuse properties. Mr. Martin is co-author of **Adaptive Use**, a practical guide book published by the Urban Land Institute. Our work ranges from mill conversions to preservation of national treasures.



**Tourism.** Tourism planning has been a major emphasis of our work for over 30 years. Projects have included a winter tourism development strategy for the Anchorage Economic Development Corporation and a tourism development strategy for Seneca County, New York. In Alabama, we provided strategic trends analysis for a State-wide Tourism Summit. In Boston, we have worked to revitalize the historic Freedom Trail. Our Hudson River Valley tourism plan creates a vision for heritage tourism in the Hudson River Valley.

**Heritage Tourism.** We have been involved with heritage tourism for over 30 years. We prepared the economic component of the Master Plan for the Augusta Canal in Augusta, Georgia. This plan has won a series of national awards. Another study created an implementation strategy for the Thames River Maritime Heritage Park in Connecticut. This was a follow-up to our work to create a statewide heritage park master plan in Connecticut. We also assisted in preparing management plans for the Automobile National Heritage Area in Detroit, and the Ohio and Erie Canal National Heritage Corridor.

**Retail.** Our experience in retail evaluation ranges from market studies for shopping centers to downtown retail plans, to projecting the potential of a museum's retail shop. In Peabody, MA we prepared a downtown retail strategy. For the Puerto Rico Eco-Center, we optimized retail shop size based on sales potential.

**Hotels and Resorts.** A key component of the travel industry is the accommodations sector. We have evaluated many hotel and resort complexes, including projects in North America, Europe and the Caribbean. We evaluated the management and operational profile for a resort complex in Pennsylvania, and projected the potential for hotel development as part of a mixed-use development in Germany.

**Theaters.** We have evaluated a wide range of theater types from performing arts centers to Large Format Film Theaters and cinemas. For the Goodspeed Opera House, we evaluated a new theatre as well as a showboat concept. We have evaluated many large format film theaters in museum settings.

**Conference/Convention.** Our experience in this specialized field includes market studies and economic impact projections for projects ranging from the proposed Megaplex in Boston to a conference center in Austin, TX.

**Waterfront Plans.** Much attention has been devoted to preserving and carefully developing waterfronts. We have been in the forefront of assisting clients with planning waterfront development for many years. Recent projects have included a waterfront development plan for Wheeling, West Virginia; a vision plan for Waikiki in Honolulu; and a waterfront plan for North Augusta, South Carolina and Des Moines, Iowa.

#### **REPRESENTATIVE PROJECT EXPERIENCE**

The following lists some of the projects and clients with which the staff of ConsultEcon, Inc./Office of Thomas J. Martin have been involved during their consulting careers. Many of these projects have been successfully implemented.

#### **VISITOR ATTRACTIONS DEVELOPMENT**

- NOAA National Marine Sanctuaries Visitor Center Studies
- Flandrau Science Center Expansion: Tucson, AZ
- Feasibility of USS Des Moines Permanent Berthing in Gary, IN
- Market Feasibility for Belmont Bay Science Center, Virginia
- Laumeier Sculpture Park: St. Louis, MO
- Expansion Study for Santa Cruz Museum of Natural History
- Market Feasibility for a Hip Hop Museum
- Feasibility for a History and Technology Museum in Nashua, NH
- Cedar Point Demographic Analysis: Ohio
- Baltimore Sports Hall of Fame Feasibility and Babe Ruth Museum Expansion: Baltimore, MD
- Adaptive Use Planning for Bomes Theater: Providence, RI
- Feasibility of High-Speed Tourist Boat: Chattanooga, TN
- Auto Museum Feasibility: Tacoma, WA
- US Figure Skating Museum & Hall of Fame: Colorado Springs, CO
- US Mint Museum: Washington, DC
- California Academy of Sciences Museums & Aquarium: San Francisco, CA
- Flint RiverCenter: Albany, GA
- California Science Center, Los Angeles, CA
- Barre Granite Center & Heritage Museum: Barre, VT
- African-American Museum: Atlanta, GA
- Downeast Heritage Center: Calais, ME
- Georgia Music Hall of Fame: Macon, GA
- Harriet Tubman Museum: Macon, GA



- Georgia Racing Hall of Fame: Dawsonville, GA
- Moccasin Bend National Park: Chattanooga, TN
- OceanQuest Science Center and Learning Camp: New London, CT
- Museum of Discovery and Science Expansion: Ft. Lauderdale, FL
- Connecticut Museum of Technology & Innovation: New Britain, Connecticut
- Railroad Museum of New England: Palmer, MA
- IMAX Large-Format Film Theater at EcoCenter: San Juan, Puerto Rico
- Massachusetts Museum of Contemporary Art: North Adams, MA
- Old South Meeting House: Boston, MA
- Fruitlands Museum Expansion: Harvard, MA
- Amateur Baseball Hall of Fame: Memphis, TN
- USS Saratoga Aircraft Carrier: Kingston, RI
- Trolley Museum Feasibility: Scranton, PA
- Laumeier International Sculpture Park: St. Louis, MO
- PGA TOUR Visitor Center and Hall of Fame: Jacksonville, FL
- Strecker Museum: Waco, Texas
- Boston Museum of Science: Omnimax Theatre: Boston, MA
- Mystic Seaport Museum: Mystic, CT
- Basketball Hall of Fame: Springfield, MA
- Oil Energy Museum: Smackover, AR
- Calvert Marine Museum: Calvert County, MD
- USS Nautilus Memorial & Submarine Force Museum: Groton, CT
- New England Sports Museum: Boston, MA
- Massachusetts State Archives Museum
- Proposed Golf Museum: Augusta, GA
- Plimoth Plantation Expansion: Plymouth, MA
- Virginia Beach Science Center: Virginia Beach, VA
- Worldbridge Theme Park: Baltimore, MD
- North American Expansion: Madame Tussaud's
- The Boston Children's Museum Expansion: Boston, MA
- John F. Kennedy Library: Boston, MA
- Medal of Honor/Hall of Valor Museum: Chattanooga, TN
- The Museum of American Textile History
- Historic Fort Wayne: Detroit, MI
- National Marine Sanctuary Interpretive Center: Savannah, GA

- Learning Center and Museum of the National Sport Fishing Center: Superior, WI
- Environmental Center: Chicopee, MA
- Tall Ships Bicentennial Visit: Newport, RI
- Roaring Twenties Museum: Chicago, IL
- Minnesota Museum of Art: St. Paul, MN
- Connecticut History Museum: Hartford, CT

#### **AQUARIUM AND ZOO PROJECTS**

- Atlanta Aquarium: Atlanta, GA
- VisionQuest Aquarium: Birmingham, AL
- South Carolina Aquarium: Charleston, SC
- Tennessee Aquarium: Chattanooga, TN
- Mystic Aquarium: Mystic, CT
- New England Aquarium Expansion: Boston, MA
- New Bedford Aquarium/IMAX: New Bedford, MA
- Irish National Aquarium: Dublin, Ireland
- Northwest Waters Aquarium: Tacoma, WA
- Aquarium/Mixed Use Project: Oberhausen, Germany
- Puerto Rico Eco-Center: San Juan, Puerto Rico
- John G. Shedd Aquarium Expansion: Chicago, IL
- New Jersey State Aquarium Expansion: Camden, NJ
- Long Island Aquarium/IMAX: Bay Shore, NY
- Wisconsin Aquarium: Sheboygan, WI
- Marine Life Center: Sandwich, MA
- Alaska Sea Life Center: Seward, AK
- Proposed Toronto Aquarium: Toronto, Ontario
- Inner Harbor Aquarium: Genoa, Italy
- Chincoteague National Wildlife Refuge: Virginia
- North Carolina Aquarium and Zoo: Asheboro, NC
- National Aquarium Expansion: Baltimore, MD
- Florida Aquarium Expansion: Tampa, FL
- Gulf of Maine Aquarium: Portland, ME
- Indianapolis Zoo Expansion: Indianapolis, IN
- Hutchinson Island Coastal Science Center, Florida Oceanographic Society: Stuart, FL
- Market and Financial Feasibility for Proposed Aquarium: Portland, OR
- Canadian National Aquarium: Ottawa, Canada
- Virginia Zoological Park: Norfolk, VA
- Roanoke Zoo Master Plan: Roanoke, Virginia
- Buffalo Zoo Expansion Analysis: Buffalo, NY
- Osaka Aquarium Visitation Potential: Osaka, Japan
- National Aviary: Pittsburgh, PA



**WATERFRONT PLANNING PROJECTS**

- Waterfront Area Master Planning Effort: North Augusta, NC
- Heritage Port Economic Study: Wheeling, WV
- Augusta Canal Master Plan: Augusta, GA
- Horizons Waterfront Commission Plan: Buffalo, NY
- Central City Waterfront Study: Detroit, MI
- Financial Feasibility Analysis of Riverfront Central: Springfield, MA
- Waterfront Development Study: Narragansett Bay, RI
- Salt River Recreation Plan: (Rio Salado) Phoenix, AZ
- Inner Harbor Development: Baltimore, MD
- Waterfront Development Study: Newburyport, MA
- Harbor Site Redevelopment: Salem, MA
- Hudson River Valley Tourism Development Strategy: NY
- South Norwalk Waterfront District: Norwalk, CT
- Riverpark Master Plan: Chattanooga, TN

**REAL ESTATE FEASIBILITY**

- Westin Battery Park Hotel Amenities Analysis: New York, NY
- Government Sector Expansion Potential, Volpe National Transportation System Center: Cambridge, MA
- Salem State College Real Estate Studies: Salem, MA
- Commercial Development Potential at Portland Place: Boston, MA
- Cambridge Park Retail Opportunity: Cambridge, MA
- Market Analysis of the Hawley Lane Mall: Trumbull, CT
- Office Park Transaction: Wakefield, MA
- Market Feasibility Analysis for Shopping Center: Fall River, MA
- Restaurant Market Support for Egleston Station: Boston, MA
- Office Building Development: Springfield, MA
- Long Term Office Development Strategy: Chelmsford, MA
- R&D/Office Market Assessment: Tyngsboro, MA
- Stamford Town Center Mall Expansion

- Office Market Assessment: Fishkill, New York
- Residential Market Support: Upstate NY
- Joint Retail/Commuter Rail Development: Boston, MA
- Condominium Market Assessment: Boston, MA
- Assessment of Market Support for Condominium/Marina Complex: Rhode Island
- Condominium Development Opportunities: Providence, RI
- Development Potential - Wesleyan Hills Parcels: Middletown, CT
- Highrise Condominium Housing: Quincy, MA
- Office Acquisition Assessment - Bulfinch Triangle: Boston, MA
- Evaluation of Market Support for Residential Development: Portsmouth, NH
- Residential Feasibility: Haverhill, MA
- Feasibility Study Update for Brokaw Properties: Glen Cove, NY
- Market Support for Senior Housing: Attleboro, MA
- Market Feasibility of Congregate Housing Development: Braintree, MA
- Land Development Economics: Brattleboro, VT
- St. Louis Office Market Analysis: St. Louis, MO

**ADAPTIVE USE PROJECTS**

- Faneuil Hall Marketplace: Boston, MA
  - Adaptive Reuse and Financial Evaluation - Historic Properties: Lawrence, MA
  - Amesbury Hat Factory Reuse: Amesbury, MA
  - Alley Mall Feasibility Study: Fort Wayne, IN
  - Boston Naval Shipyard Reuse Study: City of Boston, MA
  - Frankford Arsenal Redevelopment: Philadelphia, PA
  - The Arcade Building: Providence, RI
  - Adaptive Reuse and Economic Development Study: Pullman, IL
  - Market Study for Banner Square: Albuquerque, NM
  - Commercial Development Potential at Portland Place: Boston, MA
  - Post Office Reuse Study: Reno, NV
  - Reuse of the Mobil Oil Building: Dallas, TX
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**PUBLIC ASSEMBLY AND LODGING PROJECTS**

- Conference Center/Hotel Feasibility: Austin, TX
- Battery Park Hotel Amenities Analysis: New York, NY
- Mixed-Use Hotel/Conference Center Study: Chelmsford, MA
- Indoor Horse Arena and Multipurpose Building: Estes Park, CO
- Hotel/Residential Market Analysis: Hartford, CT
- Hotel Market Analysis: Amesbury, MA
- Hotel Sonesta Expansion: Cambridge, MA
- Hotel Market Study: Newport, RI
- Virginia Horse Center: Roanoke, VA
- America International Trade Plaza Analysis: New York, NY
- New York Convention Center Study of Private vs. Public Management: New York, NY
- Civic Center Feasibility Study: Bay City, MI
- Capitol Theatre Market Study: New London, CT
- Civic Center Feasibility Study: Wilkes-Barre, PA
- Akron Civic Theatre: Akron, OH
- Goodspeed Opera House: East Haddam, CT

**URBAN ENTERTAINMENT/SPECIALTY CENTER PROJECTS**

- Market Support for Adaptive Reuse: Lowertown, St. Paul, MN
- Claymation Station: Portland, OR
- Alley Mall Feasibility Study: Fort Wayne, IN
- The Arcade Building: Providence, RI
- Movie Cinema Market Support: Hooksett, NH
- Adaptive Use of Warehouse Row: Chattanooga, TN
- Massachusetts Institute of Technology: Review of Market Support for Retail Development: Cambridge, MA
- Commercial Development Potential at Portland Place: Boston, MA
- National Comedy Center: Jamestown, NY
- Market Analysis for Specialty Retail Development at Ybor City: Tampa, FL
- Retail Market Analysis and Master Plan: San Antonio, TX

**TOURISM DEVELOPMENT/HERITAGE PARK PROJECTS**

- Tourism Development Strategy: Pittsfield, MA
- Freedom Trail: Boston, MA
- Seneca County, New York Tourism Development Plan
- Catskills Tourism Plan: New York State
- Alabama Tourism Development Summit
- North Augusta, South Carolina Tourism Development Plan
- Catskills Resort Area Development Plan
- Heritage Park: Wheeling, WV
- Hudson River Valley Tourism Development Plan
- Oil Region Heritage Park and Tourism Plan: Pennsylvania
- Ohio & Erie Canal Corridor Study: Ohio
- Tompkins County, New York Tourism Development Plan
- Thames River Maritime Heritage Park: Connecticut
- Ohio and Erie Canal National Heritage Corridor
- Puerto Rico Tourism Development Plan
- U.S. Travel & Tourism Administration - National Rural Tourism Study
- State of Kansas: Travel Development Plan
- New York State Tourism Plan
- Grand Bahama Island Tourism Development Strategy
- Lackawanna Valley Heritage Park: Scranton, PA
- Lowell Historic Canal Commission: Lowell
- National Cultural Park: Lowell, MA
- State of Connecticut Heritage Park System
- Tourism Strategy: Jamestown, NY
- Urban Cultural Park: Seneca Falls, NY
- Urban Cultural Park System Master Plan: State of New York
- Catskill Rail/River Corridor Study: Kingston, NY
- Rio Salado Master Plan: Phoenix, Arizona
- Riverpark Master Plan: Chattanooga, TN
- Winter Tourism Plan: Anchorage, AK
- Tourism Infrastructure Study: Providence, RI
- Las Vegas Springs Preserve Master Plan



**REPRESENTATIVE CLIENT LIST**

- Advest, Inc.
- Akron Civic Theater
- American Campus Lifestyles Companies, Inc.
- Anchorage Economic Development Corp.
- Arts Council for Chautauqua County
- Atlanta Development Authority
- Atlanta-Fulton Recreation Authority
- Audubon Society of Rhode Island
- Big Two Resorts, Inc.
- Black River Design
- California Academy of Sciences
- Cambridge Seven Associates, Inc.
- Carr, Lynch and Associates
- Central Catskill Planning Alliance
- Chermayeff, Sollogub & Poole
- City Design Collaborative
- City of Charleston, SC
- City of Jamestown, New York
- City of Nashua, New Hampshire
- City of New Britain, Connecticut
- City of North Augusta, South Carolina
- City of Providence, RI
- City of Sheboygan, Wisconsin
- City of Tacoma, Washington
- City of Woburn, Massachusetts
- Cleveland Botanical Garden
- Clough, Harbour Associates
- Colorado Aquarium Society
- Connecticut Development Authority
- Connecticut Historical Society
- Corcoran Jennison Mullins
- Davidson-Peterson Associates
- Daylor Consulting
- Dowl Engineering
- Florida Aquarium
- Forest City Enterprises
- Friends of Moccasin Bend: Chattanooga, TN
- Georgia Sports Hall of Fame Authority
- Goodspeed Opera House
- Goody Clancy & Associates, Inc.
- Gulf of Maine Aquarium Development Corp.
- Hellmuth, Obata & Kassabaum (HOK)
- Howard, Needles, Tammen & Bergendoff (HNTB)
- Hudson River Greenway Conservancy
- Icon Architecture
- IDEA, Inc.
- Jacksonville, Florida CVB
- JMB/Urban Development Co.
- Krent/Paffett Associates
- Landauer Associates
- LaSalle Partners
- Las Vegas Valley Water District
- Lee Skolnick Architects
- LeisureQuest
- Leung, Hemmler, Camayd
- Lyons-Zaremba Inc.
- MA Division of Capital Planning & Operations
- Metropolitan District Commission
- Minnesota Museum of Art
- Mississippi River Museum
- Modern Continental Companies, Inc.
- Monterey Bay Aquarium
- Museum of Discovery and Science, Fort Lauderdale, Florida
- Mystic Aquarium
- National Aquarium in Baltimore
- National Audubon Society
- National Aviary in Pittsburgh
- National Oceanic and Atmospheric Administration
- New Bedford Aquarium Development Corp.
- New England Aquarium
- New Jersey State Aquarium
- New York Power Authority
- Peckham, Guyton, Albers & Viets (PGAV)
- Pennsylvania Dutch Convention & Visitors Bureau
- Pfleger Institute of Environmental Research
- Portico Group
- Principal Financial Group
- Quincy 2000 Corporation
- Radio Flyer Corporation
- Ralph Appelbaum Associates
- Rhodes/Dahl
- Sasaki Associates
- Seneca County, New York
- Shedd Aquarium
- Sheppard, Mullin, Richter & Hampton LLP
- South Carolina Aquarium
- TAMS Consultants, Inc.
- The LA Group
- The Saratoga Associates
- THInc
- Town of Islip, New York
- Town of Mashpee, Massachusetts
- U.S. Baseball Federation
- U.S. Department of the Treasury
- U.S. Fish and Wildlife Service
- U.S. National Park Service
- University of Southern Mississippi
- Urban Design Group
- Virginia Museum of Science
- Waterfront Center
- Wildlife Conservation Society



# Science and Technology Centers

**ConsultEcon, Inc./Office of Thomas J. Martin**  
Economic Research and Management Consultants

**ConsultEcon, Inc./Office of Thomas J. Martin** provides services to clients in the areas of project and plan concept development, evaluation and implementation in the fields of Visitor Attractions and Facilities, Science Centers and Technology Museums, Zoos and Aquariums, Visitor Centers, Parks and Recreation projects.

The staff of ConsultEcon, Inc., have many years of experience serving clients, including government agencies and non-profit organizations. We understand the needs and motivations of both the private and public sectors. Much of our work has been in multidisciplinary settings where associated professionals have worked to develop projects, or to generate process-oriented solutions to complex development problems through market, management, and implementation-oriented plans. Many of these projects have been successfully developed.

**Expansion Study for the Museum of Discovery and Science: Ft. Lauderdale, FL** – Conducted an evaluation of alternative expansion programs for this major science museum.

**Connecticut Museum of Technology and Innovation Market Study: New Britain, CT** - For New Britain, developed a downtown revitalization strategy with this proposed museum project as its cornerstone.

**University of Arizona® Science Center: Tucson, AZ** – Our work included the evaluation the market support and economic potential of a new science center to be developed as the centerpiece attraction of Tucson's downtown redevelopment plan, the Río Nuevo Master Plan. We worked closely with Science Center management to develop future operating budgets and strategies; advised on a building program that optimized the visitor experience, attendance potential and revenue potential; and provided support to the Flandrau as it sought approval from the City and State for the project.

**Danville Science Center Expansion: Danville, VA** - This science center is part of the Science Museum of Virginia system. We evaluated an expansion plan that would more than double the museum in size and greatly expand its service delivery.

**Belmont Bay Science Center: Belmont Bay, VA** - This project evaluated the feasibility of the development of a Science Center as part of the Belmont Bay "new town" project. This facility would be part of the Science Museum of Virginia consortium.

**Ocean Science Center and OceanQuest Learning Center Financial Evaluation: New London, CT** - Served as financial advisor to The Connecticut Development Authority for this proposed ocean science museum project.

**Nashua Technology Center: Nashua NH** - This museum will celebrate this heritage while creating dynamic and exciting environments for people of all ages to experiment and learn in a hands-on environment. ConsultEcon has participated in site selection, facility programming, market potential and operating plan.

**Virginia Aviation Museum Expansion: Richmond, VA** - This aviation museum has an outstanding collection of historic aircraft. An in-depth feasibility study was prepared that is the basis for an operating plan for the new facility.

**IFE at Mystic Aquarium: Mystic, CT** - Reviewed the impact of the Institute for Exploration (IFE) addition to the Mystic Aquarium from a visitor and financial perspective, which included preliminary pro forma operating projections. The IFE is a major expansion, offering an immersive technological approach to education.

**California Science Center Expansion: Los Angeles, CA** - The California Science Center is planning its next major expansion phase. We provided management with projections of attendance potential and worked with staff in preparing future operating budgets.

**California Academy of Sciences: San Francisco, CA** - Assisted the California Academy of Sciences in planning for revitalization of their facilities, which include the Steinhart Aquarium, Museum of Natural History, and the Morrison Planetarium. We evaluated a range of options for the Academy, including staying in Golden Gate Park or moving to a new site downtown.

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# Museum Qualifications

## ConsultEcon, Inc./Office of Thomas J. Martin Economic Research and Management Consultants

**ConsultEcon, Inc./Office of Thomas J. Martin** provides services to clients in the areas of project and plan concept feasibility, business planning, economic impact evaluation and project implementation.

Our practice builds on the decades of experience providing results-oriented solutions for clients by drawing on our expertise and experience in marketing, economics, management, finance and planning.

The number of museums in the U.S. has grown substantially over the last quarter-century, and we have assisted the museum community with over 150 assignments within the last decade. Our staff members have provided consulting services to a wide range of museums and visitor attractions including **The Boston Children's Museum** (Boston, MA), **USS Nautilus Memorial and Submarine Force Museum** (New London, CT), **Laumeier International Sculpture Park** (St. Louis, MO), **Basketball Hall of Fame** (Springfield, MA), **Mystic Seaport Museum**, and the **Arkansas Oil and Brine Museum**. We have evaluated living history museums, transportation museums, military museums, children's museums, science centers/museums, botanical gardens and environmental centers, heritage and history centers, maritime museums, sports museums, and various specialty museums.

The following are typical museum assignments.

**Virginia Aviation Museum Expansion: Richmond, VA** - This aviation museum has an outstanding collection of historic aircraft, and is located in one of the birthplaces of aviation. A major expansion to over four times its current size will allow it to not only display more aircraft and artifacts, but to greatly enhance interpretation and visitor experience with interactive exhibitry. An in-depth feasibility study was prepared that is the basis for an operating plan for the new facility.

**Cleveland Botanical Garden: Cleveland, OH** - Prepared a market and financial feasibility study for a major expansion of this existing botanical garden. This project is now in implementation.

**California Science Center Expansion: Los Angeles, CA** - The California Science Center is planning its next major expansion phase. We provided management with projections of attendance potential and worked with staff in preparing future operating budgets for this major science center.

**Darwin Martin House Restoration: Buffalo, NY** - Prepared market projections and a redevelopment plan as well as operating projections for Frank Lloyd Wright's residential masterpiece in Buffalo, New York.

**Mississippi River Museum Expansion: Dubuque, IA** - This project included evaluation of this museum including its historic riverboats, as well as analyzing connections to the downtown and to the adjacent casino riverboat.

**U.S. Figure Skating Museum: Colorado Springs, CO** - This project reviewed the potential for a new museum as well as the feasibility of traveling exhibits. We reviewed other sports halls of fame and developed market support studies for this project.

**U.S. Mint Museum: Washington, DC** - As part of a project team, we evaluated the market and financial feasibility for this new museum in Washington, D.C. This museum, located at the headquarters building of the U.S. Mint, highlights economic and monetary history.

**LeMay Museum: Tacoma, WA** - Conducted feasibility studies for this project, which included visitor projections and operating pro formas. The LeMay automobile collection is the largest in the world. This museum, to be located in downtown Tacoma, highlights the history and innovations of the automobile industry.

**U. S. Fish & Wildlife Services Visitor Center Review; Chincoteague, VA** - A review was conducted of the impact of this facility, which is the gateway to the National Wildlife Refuge. This work included interviews with local merchants and profiles of visitation to the Island.

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**Feasibility Study for Barre Granite Center and Heritage Museum: Barre, VT** – As part of a multi-disciplinary team, we prepared a complete market study and business plan for the adaptive reuse of a historic 25,000 square foot granite manufacturing shed as a multi-use facility. The program included modern interactive exhibits, interpretation of historic artifacts, artists studios, a full-time secondary school arts program, gift shop and café.

**Market & Feasibility Study for Downeast Heritage Center: Calais, ME** – Prepared a feasibility assessment for this regional information and visitor interpretive center. Our assessment included a site evaluation, market segment definition/analysis, a review of comparable projects, an attendance projection and operating plan.

**PIER Visitor Market Potential: Oceanside, CA** - Evaluated the visitor market potential of the proposed Pflieger Institute of Environmental Research (PIER) project, which includes research, education and visitor attraction elements. Also included was an estimate of the direct fiscal revenues the project would provide to the City of Oceanside.

**Olana State Historic Site Master Plan: Hudson, NY** - Evaluated attendance potential of the master plan for the historic home and gardens of painter Frederic E. Church, a leader in the Hudson River School of Art. This project includes an important art collection, as well as one of the most picturesque landscapes in the area.

**Davenport Art Museum: Davenport, IA** - This art museum, which has a very strong collection, is planning an architecturally significant new museum on the banks of the Mississippi River in downtown. We prepared an in-depth analysis of market potential, an operating plan, and evaluation of the economic impacts the project will create.

**Evaluation of The USS Saratoga: Quonset Point, RI** - Prepared a market and operating analysis as a portion of the business and development plan for the permanent berthing of the *USS Saratoga* at Quonset Point as an educational attraction. This market and operating analysis was prepared in conjunction with other ongoing planning activities for the project. We also prepared an economic impact analysis for the *USS Saratoga* at Quonset Point, and are continuing to work with the Foundation.

**Archaeological Museum: Jamestown, VA** - This project evaluated the potential for expansion of visitation as part of a master plan conducted by the National Park Service in conjunction with the Association for the Preservation of Virginia Antiquities. Planning was coordinated with the 400<sup>th</sup> Anniversary Celebration in 2007.

**Avian Environmental Center: Anchorage, AK** - For the Anchorage Economic Development Corporation, evaluated the market and financial support for an environmental center in Anchorage, Alaska, as well as resort and wilderness lodge concepts.

**Native American Interpretive Center: Chattanooga, TN** - Conducted a study to determine the feasibility of including Moccasin Bend in the Chickamauga and Chattanooga National Military Park, and developing a Native American Interpretive Center.

**Flint RiverCenter Feasibility Study: Albany, GA** - Assessed the potential market support and proposed operating plan for an attraction comprised of several elements, including a science museum, a regional interpretive center, an aquarium, and a large-format film theater.

**Danville Science Center Expansion: Danville, VA** - This science center is part of the Science Museum of Virginia system. It provides important services in its region. We evaluated an expansion plan that would more than double the museum in size and greatly expand its service delivery.

**Shedd Aquarium Expansion: Chicago, IL** - Worked on a \$60 million expansion for the Shedd Aquarium in Chicago. This work included market and financial evaluation of alternative program development.

**Shelburne Falls Trolley Museum Expansion: Shelburne Falls, MA** - The Shelburne Falls Trolley Museum had proposed an expansion to a new and larger site in an adaptive reuse of a historically significant mill structure. Market potential and facility development guidance were provided, along with an evaluation of working trolley routes.

**National Marine Sanctuary Interpretive Center Feasibility: Savannah, GA** - This project tested the feasibility of a National Marine Sanctuary interpretive visitor center to be located in Savannah, Georgia in association with Gray's Reef National Marine Sanctuary.



**IFE at Mystic Aquarium: Mystic, CT** - Reviewed the impact of the proposed Institute for Exploration (IFE) addition to the Mystic Aquarium from a visitor and financial perspective, which included preliminary pro forma operating projections. The IFE is a major expansion, offering an immersive technological approach to education about the depths of the ocean.

**Lucille Ball/Desi Arnaz National Comedy Center and Museum Feasibility Study: Jamestown, NY** - Evaluated the market and feasibility potential for The Jamestown (New York) Urban Renewal Agency. Additional work projected the economic impact of the project, and provided a preliminary tourism evaluation and strategy. The first phase of the Museum has opened.

**Connecticut Museum of Technology and Innovation Market Study: New Britain, CT** - For The City of New Britain, developed a downtown revitalization strategy with this proposed museum project as its cornerstone.

**Expansion Study for the Railroad Museum of New England: Palmer, MA** - For The Palmer Community Development Department, examined the feasibility and market potential for the relocation of the museum to a site in downtown Palmer.

**Georgia Music Hall of Fame Feasibility Study: Macon, GA** - Conducted a market support and financial feasibility study for the Georgia Music Hall of Fame, to be located in Macon, Georgia. This project was successfully developed.

**Development Strategy for an Interactive Visitor Center: New London, CT** - For The State of Connecticut, prepared an implementation development strategy, as part of the Thames River Heritage Park, a multi-site heritage park in the New London/Groton area.

**Visitor Center and Trolley Museum Financial Feasibility Study: Scranton, PA** - For the Lackawanna Valley Heritage Park, conducted market and financial feasibility studies for program components, and evaluated alternative management options.

**Minnesota Museum of Art: St. Paul, MN** - Conducted a feasibility study and evaluation of visitation potential for relocation and expansion of this art museum.

**Feasibility Study for Amateur Baseball Hall of Fame: Millington, TN** - For the U.S. Baseball Federation, conducted a feasibility evaluation for an Amateur Baseball Hall of Fame and visitor attraction, proposed in Millington, Tennessee (near Memphis).

**Expansion Study for the Museum of Discovery and Science: Ft. Lauderdale, FL** - Conducted an evaluation of alternative expansion programs for this major science museum.

**Expansion Feasibility for the Harriet Tubman Museum: Macon, GA** - This project, which was accomplished in conjunction with a primary research firm, assessed the feasibility of expansion of the Harriet Tubman Museum in Macon, Georgia. Financial pro forma projections were also developed.

**Old South Meeting House Analysis: Boston, MA** - For the National Park Service, provided economic analyses related to the preservation work and the commercial tenants of this important Boston historical site.

**Children's Museum Expansion Feasibility: Parkersburg, WV** - Working with an architectural firm, we prepared market projections and an operating plan for this area-serving facility. The emphasis was on working within limited resources.

**Feasibility Study for an African-American Museum: Atlanta, GA** - For the Atlanta Development Authority, we evaluated the market potential of an African-American Museum. As part of this work, we evaluated tourist and resident market characteristics and comparable project market and operating results.

**Feasibility of Georgia Auto Racing Hall Of Fame: Dawsonville, GA** - Evaluated the market support potential for this project. We also evaluated preliminary interpretive concepts, and advised on project size. A pro forma financial projection was prepared.

**Museum of History & Science: Charleston, SC** - Reviewed the feasibility aspects of this innovative proposal for the City of Charleston, South Carolina.

**Sturgeon City: Jacksonville, NC** - Provided a market analysis and financial pro formas for this environmental interpretive center to be located on Wilson Bay in North Carolina.



**Natural History Museum of the Adirondacks: Tupper Lake, NY** – The site for the project is in a rural community located in the center of the Adirondack Park. Although the Adirondacks are well known as a visitor destination for outdoor recreational pursuits, there are few sizeable indoor attractions in the region. The NHMA was conceived to fulfill that need and to serve as a catalyst for economic development in the local area. As one component of the Master Plan for this new facility, we evaluated the market support for and financial feasibility of the project. Of particular importance was the potential for seasonal operations. Accordingly, alternative operating scenarios to test project feasibility under 9 and 12 month operating schemes were prepared.

**National Aviary: Pittsburgh, PA** – The City of Pittsburgh's North Shore waterfront is currently being redeveloped and will include new stadiums for the Pittsburgh Steelers and Pittsburgh Pirates, as well as numerous retail and entertainment opportunities. Understanding the possibilities a North Shore location might present, the National Aviary contracted us to study the feasibility of expanding the project at its existing site, or moving to a new location along the North Shore. The new or expanded Aviary would represent a dramatic shift in concept and avian presentation from the current facility. In addition to attendance, expense and revenue projections for each alternative, primary market research (including focus groups and a telephone survey) was conducted to study Pittsburgh area residents' response to the new concept and potential move.

**Connecticut History Center: Hartford, CT** – The Connecticut Historical Society, one of the country's oldest and most prominent historical societies, contracted with us to study the feasibility of a new history center in Hartford. The new Connecticut History Center, to be designed by Frank O. Gehry, would represent a major shift in the scale of operations and programming for the Society. We examined the market potential for the new Connecticut History Center, which included a detailed site analysis, attendance projections and project sizing parameters.

**Volleyball Hall of Fame: Holyoke, MA** – The Volleyball Hall of Fame is located in the birthplace of this popular sport. To build a new home for this Hall of Fame, alternative sites were evaluated, and attendance potential estimated.

**Belmont Bay Science Center: Belmont Bay, VA** – This project evaluated the feasibility of the development of a Science Center as part of the Belmont Bay "new town" project. This facility would be part of the Science Museum of Virginia consortium. In addition to a science center, the planned IMAX theater market potential was also evaluated. Important issues included in the work were critical mass of attraction content, regional competition, and pricing issues. The analysis included resident market characteristics, available tourism and "pass-through" travelers on Interstate 95, and a review of comparable projects nationally. The feasibility study included attendance potential, optimal pricing strategies, operating profile and financial projections. The economic impacts of the project on the regional economy were estimated.

**Ocean Science Center and OceanQuest Learning Center Financial Evaluation: New London, CT** – Served as financial advisor to The Connecticut Development Authority for this proposed museum project.

**Las Vegas Springs Preserve: Las Vegas, NV** – Las Vegas Springs Preserve is a large and important tract of land near the Las Vegas Strip that was the site of the desert springs that were the basis for the Las Vegas settlement. The Las Vegas Valley Water District is developing a Master Plan for the site that includes a major interpretive center and museum, environmental learning center, nature trails, outdoor amphitheater, demonstration gardens and supportive infrastructure, including retail and food service. We prepared market support projections that informed Master Plan alternatives. Revenue potential and usage patterns were prepared for preferred options. We also supported the LVVWD in preparing a business plan for the project.

**Downtown Attractions Study: Providence, RI** – Evaluated the market potential for the development of a new attraction or set of attractions in the city of Providence's downtown core. We proposed the development of the Hasbro Discovery Center, a toy-themed educational attraction that would appeal to children and their families and reflect Rhode Island's toy making tradition. We also evaluated the market support and operating potential of the Hasbro Discovery Center, including optimal project sizing, development and operating costs, attendance projections and funding strategies.



# Economic Impact Qualifications

## ConsultEcon, Inc./Office of Thomas J. Martin Economic Research and Management Consultants

**ConsultEcon, Inc./Office of Thomas J. Martin** was established to provide services to clients in the areas of project and plan concept development, evaluation and implementation, in the fields of economic impacts analysis, community economic development, adaptive reuse, real estate, visitor attractions and tourism.

Members of the firm have many years of experience serving a wide range of clients, including developers, financial institutions, government agencies and non-profit organizations. We understand the needs and motivations of both the private and public sectors. Members of the firm have conducted hundreds of studies that relate to many issues relevant to the development of overall goals and economic development components of master plans, visitor attractions, economic development strategies, downtown studies, adaptive reuse, housing, parks, office and institutional uses and more. We maintain extensive reference files on over 1,600 projects to assist us with our work. Much of this work has been in multidisciplinary settings where associated professionals have worked to develop projects, or to generate process-oriented solutions to complex development problems through market, management, and implementation-oriented plans. Many of our projects have been successfully implemented.

In the area of socioeconomic impact evaluation, Mr. Martin directed work on a study for the Transportation Research Board of the National Academy of Sciences/National Research Council. The published reports include *The No-Build Alternative: Social, Economic and Environmental Consequences of Not Constructing Transportation Facilities. Impact Assessment Guidelines and The No-Action Alternative* in 2 Volumes. Mr. Martin also co-authored the course workbook, *Social and Economic Considerations in Highway Planning and Design*. Prior to this, Mr. Martin directed work on the *Guidance Notebooks for the Environmental Assessment of Airport Development Projects* published by the U.S. Department of Transportation.

We have prepared economic and fiscal impacts analyses for a variety of project types and for both existing and proposed facilities. The following are typical of assignments in the area of economic impact evaluation.

**Glens Falls Civic Center, Glens Falls, NY** – For this existing Civic Center evaluate the ongoing impacts of operations. This arena and meetings facility offers professional and amateur sports, music concerts, traveling shows, consumer shows and a variety of meetings. Issues include operating impacts and event attendee and performer off-site spending.

**Jamestown Civic Center: Jamestown, NY** – Prepared a preliminary report of market and project concept issues relating to the potential development of a mixed use civic center, to include an arena, meeting and assembly space, and hotel and restaurant, with associated parking. Project economic impacts were evaluated.

**New Town Development Impact Study: Mashpee, MA** – Led a team of traffic, environmental and fiscal impacts experts to evaluate the impacts of a "new community," including 700,000 square feet of commercial development and a 500 unit residential development in the Town of Mashpee.

**Darwin Martin House Restoration: Buffalo, NY** – Prepared market projections and a redevelopment plan as well as operating projections for Frank Lloyd Wright's residential masterpiece in Buffalo, New York. This analysis also evaluated project economic impacts.

**State Hospital Reuse: Lakeville, MA** – Evaluated economic and fiscal impacts from the construction and operations of a reuse of the facility for various uses. Also outlined quality of life benefits the project would create. In the case of housing, economic impact analysis focused on construction impacts. Fiscal impacts also were evaluated for commercial and/or office/industrial uses that might be included in the reuse plan.



**Riverfront Master Plan: North Augusta, SC** – Participated as part of a multi-disciplinary planning team evaluating alternative approaches to developing a major flood plain area. Development has been made feasible by recent water projects, and uses under consideration include: residential, commercial, golf course, marina and conference center. Issues addressed include market support, infrastructure funding, cost benefit analysis, fiscal and economic impacts, and alternative funding strategies including tax increment financing (TIF).

**Economic Development Strategy: Pittsfield, MA** – Working with an architectural firm, we prepared an economic development strategy for the central area of Pittsfield, MA. Uses evaluated included service, retail, industrial and public land uses. This work included a number of citizen workshops and resulted in a development strategy consistent with community capabilities. The economic benefits of alternative uses were considered.

**Irish National Aquarium: Dublin, Ireland** – Conducted a study for the Irish National Aquarium to be located in Dublin. We evaluated the market support and financial feasibility of the project, and evaluated the economic impact, particularly as related to overall tourism development in Ireland.

**Restoration of Frank Lloyd Wright's Darwin Martin House: Buffalo, NY** – Prepared market projections and a redevelopment plan as well as operating projections for **Darwin Martin House** – Frank Lloyd Wright's residential masterpiece in Buffalo New York. The economic impacts of this project were forecast.

**Heritage Tourism Strategy for Western New York** – This project consisted of a strategy to link and reinforce the heritage-related resources of Western New York. This strategy addressed the task of increasing the level of heritage-related tourism and directly predicted economic benefits in Western New York from proposed tourism development strategies.

**Akron Arts Impact: Akron, OH** – Assisted in the preparation of an evaluation of the arts community in Summit County, Ohio. This work included a detailed survey of arts and recreational organizations and their economic and programmatic impacts on the area.

**Puerto Rico EcoCenter: San Juan, PR** – Assessed the feasibility of this proposed Aquarium and EcoCenter in San Juan. Included in the study were alternative site analysis, market potential, financial feasibility, and economic and tax impact assessments.

**New England Aquarium: Boston, MA** – Evaluated the market support for a potential expansion of the current building and program. This work included primary and secondary market research, visitor projections and economic impact evaluations.

**Salem State College / GTE Site Evaluation: Salem, MA** – Evaluated the reuse potential for the large GTE site in Salem, MA for Salem State College. Various reuse alternatives were evaluated, including R & D space and business incubator space which would be associated with the business school of the College. An economic impact analysis of the college on the region's economy was prepared that evaluated employment, spending patterns and other benefits to the area's economy.

**Hanscom Area Towns Review of Massport Expansion Proposal** – Reviewed economic and impact issues related to the proposed expansion and real estate development at Hanscom Field. The Towns of Lexington, Bedford and Lincoln have formed a consortium to review the proposal and its impacts on the towns. Proposed uses include increased aviation activity, a hotel/conference center, and office space.

**PIER Fiscal Revenues Potential: Oceanside, CA** – Evaluated the visitor market potential of the proposed Pflieger Institution of Environmental Research (PIER) project, which includes Research, Education and Visitor Attraction elements. Also included was an estimate of the direct fiscal revenues the project would provide to the City of Oceanside from sales taxes and parking revenues.

**Megaplex Economic Impact: Boston, MA** – Prepared a projection of the potential economic impacts and fiscal revenues of a proposed Megaplex in Boston. This project would have included a convention center, domed football stadium and major league baseball park along with a hotel, commercial development and parking garage.



**Luxury Apartment Fiscal and Economic Impacts:**

**Salem, MA** – To evaluate the fiscal and economic impacts of a large, new high-end apartment complex, we prepared a detailed evaluation of probable resident profile, along with projections of fiscal costs and revenues. To reflect economic benefits, new spending and jobs in the community were forecast.

**Barre Granite Center and Heritage Museum: Barre,**

**VT** – As part of a multi-disciplinary team, we prepared a complete market study, business plan, and economic impacts evaluation for the adaptive reuse of a historic 25,000 square foot granite manufacturing shed as a multi-use facility. The program included modern interactive exhibits, interpretation of historic artifacts, artists studios, a full-time secondary school arts program, gift shop and café.

**Champlain Valley Heritage Corridor Project** – This work for the National Park Service evaluated the economic impacts of the Champlain Valley heritage preservation options. Our report documented the characteristics of the Champlain Valley Study Area, as well as the four options being considered by the NPS and the estimated impacts from each of the options.

**Site Acquisition Fiscal Benefits: Boylston, MA** – As part of a multi-disciplinary consulting team, we assisted the Town in an evaluation of the feasibility and attractiveness of acquiring this major site that is improved with a school campus and other structures. Issues investigated included alternative development schemes for excess property, evaluation of development schemes versus existing zoning and other development limitations; and, most important, the fiscal impacts of property purchase, including impacts on schools, tax rates, and related public services.

**Living Planet Aquarium Feasibility Study: Salt Lake**

**City, UT** – Assessed the feasibility of a new aquarium in Salt Lake City. This included site analysis, infrastructure needs, market evaluation and operating plan. Also projected were the economic benefits to Salt Lake City of a major new aquarium.

**Community Character Impacts Study: Ithaca, NY** –

Conducted a fiscal and market analysis of the existing retail environment in Ithaca in order to evaluate potential community character and competitive impacts of a proposed commercial development in the Town.

**Radio Flyer Experience: Chicago, IL** – The Radio Flyer, America's "little red wagon", is one of the most beloved and recognized corporate brands. For Radio Flyer, Inc., we studied the market feasibility of an interactive visitor center and museum to be located adjacent to their Chicago headquarters and manufacturing plant. We also conducted an economic impacts analysis of the proposed facility.

**USS Saratoga Historic Ship: Kingstown, RI** – For the *USS Saratoga* Museum Foundation, we prepared a market and operating analysis as a portion of the business and development plan for the permanent berthing of the *USS Saratoga* at Quonset Point as an educational attraction. We also prepared an economic impact analysis critical for gaining State support.

**Indianapolis Zoo and White River Gardens** – Underlying the master plan is the market, financial and business plan for the Zoo and White River Gardens. As part of this work, we assessed the operating profile as well as the future operating potential given an enhanced product and expanded revenue streams. Evaluation of the economic potential and impacts of the master plan was prepared.

**St. Lawrence Aquarium and Ecological Center:**

**Massena, NY** – Retained by The New York Power Authority to examine the market and financial feasibility of this proposed Aquarium project in Massena, New York. In addition, we projected the financial impacts of project construction and operation.

**Belmont Bay Science Center, Belmont Bay, VA** –

The proposed Belmont Bay Science Center would be located in the Belmont Bay new town project. This facility would be part of the Science Museum of Virginia consortium. ConsultEcon, Inc. evaluated the market and operating feasibility of this science center that includes a planned IMAX theater. The economic impacts of the project on the regional economy were estimated as part of the planning process.

**Visitor Center for Historic St. George's, Bermuda** –

For the St. George's Foundation, ConsultEcon evaluated the attendance potential for a visitor center to be developed in an adaptive reuse of the historic Queen's Warehouse. St. George's is a World Heritage Site. This study also prepared an operating plan for the new Visitors' Center and estimated the economic benefits of the project.



**VisionQuest Aquarium, Birmingham, AL** – This study assessed the market potential of the proposed VisionQuest Aquarium, which is planned as a full-scale aquarium to be located north of the new VisionLand theme park. A market and operating feasibility study was prepared along with an analysis of potential economic and fiscal impacts.

**National Aviary, Pittsburgh, PA** – The City of Pittsburgh's North Shore waterfront is currently being redeveloped. The National Aviary contracted us to study the feasibility of expanding the project at its existing site, or moving to a new location along the North Shore. In addition to attendance, expense and revenue projections for each alternative, primary market research (including focus groups and a telephone survey) was conducted to study Pittsburgh area residents' response to the new concepts. An evaluation of project economic impacts was prepared to reinforce government and philanthropic support for the project.

**New Bedford Oceanarium, New Bedford, MA** – This project involves the retrofitting of a decommissioned electric generation plant to include a major aquarium, focusing on worldwide ocean habitats. Market analysis, revenue potential projections, and an economic impacts analysis were prepared.

**Environmental Impact Statement – Economic Impacts Review, Discount Department Store Proposal: Lake Placid and Ticonderoga, NY** – Served as expert reviewer for two separate market, economic and fiscal impacts analyses for the State of New York under its SEQRA environmental impact review law. We conducted initial review and comments and review of subsequent revisions to relevant sections of the EIS. The review included completeness, technical approach and conclusions. Issues included economic impacts, fiscal revenue generation, and fiscal costs including municipal services.

**Hip Hop Museum, Oakland, CA** – The Hip Hop Museum and Center for Urban Culture will be an interactive museum, performance and community space that explores the past, present and future of hip hop and urban culture. ConsultEcon, Inc. evaluated the market and operating potential of this proposed innovative facility, and projected the economic impacts it would have on the local and regional economies.

**Gettysburg National Military Park General Management Plan, Gettysburg, PA** – This work included evaluation of master plan elements proposed for the continued development of this important National Military Park. Our work focused on evaluation of various plan alternatives presented in the General Management Plan, and evaluation of a new visitor center proposed for the Park. The economic impacts of the General Management Plan were evaluated.

**Sing Sing Prison Museum, Ossining, New York** – ConsultEcon, Inc. evaluated the market and operating feasibility of developing a historic prison museum on the grounds of the still operating Sing Sing State Prison in Ossining, New York. This project included primary market research and an evaluation of the economic and fiscal impacts that the project would have on the local and regional economies.

**Long Island Aquarium, Bay Shore, NY** – This project evaluated the feasibility of the development of an aquarium and large format film theater in Bay Shore. Economic impact assessment was included to inform the community and potential funders of the project's potential benefits.

**National Civil Rights Museum, Gary, IN** – The National Civil Rights Hall of Fame is envisioned as a center for information, documentation and preservation of stories and artifacts of the Civil Rights Movement. A feasibility study including market potential and operating plan was prepared. The economic and fiscal impacts of the project were estimated.

**Spartanburg Cultural Center, Spartanburg, SC** – This work was undertaken to support the development of a new cultural facility to accommodate the community's growing cultural needs. The cultural institutions that will be housed in the new complex include the Artists' Guild, Ballet Spartanburg, Music Foundation, County Historical Association, County Museum of Art, Little Theatre, Youth Theatre, Repertory Company, and Spartanburg Science Center. In addition, the facility will also house the offices of the Cultural Facilities Management Group and The Arts Partnership of Greater Spartanburg. An economic impacts analysis was prepared to support funding for construction and operation of the facility in addition to site feasibility and operating plan.



# Conference Presentation

**ConsultEcon, Inc./Office of Thomas J. Martin**  
Economic Research and Management Consultants

As a service to our clients and others, we provide conference presentations, occasional research reports and project reviews on topics of interest which highlight various trends and aspects of our practice. We provide consulting services to clients in the areas of project and plan concept development, business planning, feasibility evaluation and implementation. We specialize in the fields of visitor attractions and facilities; museums, zoos and aquariums; tourism and resort development; real estate and urban development; and community planning. We welcome your comments.

## FEASIBILITY STUDIES AND PUBLIC FINANCE

**A summary of remarks presented by Mr. Thomas J. Martin, President of ConsultEcon, in January 1999 at the National Federation of Municipal Analysts Seminar in Los Angeles.**

My presentation today will focus on the uses of feasibility studies, with particular emphasis on public finance for special uses such as visitor attractions and recreation venues. I will also discuss feasibility study inputs as well as findings. I will conclude with particular issues related to special use project feasibility studies.

### The Uses of Feasibility Studies

Feasibility studies have many uses and are prepared by a wide variety of professionals. Some of the more common uses of feasibility studies are as follows.

**Identifying Development Opportunities** - This is a common use of feasibility studies, particularly for real estate development projects. This is similar to the highest and best use evaluation.

**Formulating Development Proposals** - This is commonly accomplished in the context of urban planning initiatives to test various types of development proposals or combinations of land uses.

**Establishing Rent Levels** - This is a common use of studies for the real estate industry, and in business plans for real estate portfolios.

**Designing Marketing Strategies** - The marketing of a product is essential to its success, and often feasibility studies will focus on the competitive environment for the project and the necessary marketing strategies to sell the product.

**Project Economic Justification** - The most common use for feasibility studies is to provide an economic justification for a project. This economic justification can take many forms, depending upon the nature of the project and the funding sources. A study for a museum may be very different in this regard from a study for a private real estate project.

**Cash Flow Forecasts** - Many feasibility studies contain cash flow forecasts which help to show the dynamic nature of a project. These are obviously very important to understanding how a project will perform over time.

**Project Marketing & Refinement** - Within a competitive environment, feasibility studies are often used to sell a project to a larger constituency. This may be particularly true in an urban planning context or in a case where private outside investors are involved.

**Economic and Fiscal Impact Evaluations** - Another key use of feasibility studies is as input into fiscal and economic impact evaluations. These evaluations are becoming more common, particularly where public funds are sought for projects.

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**Input into Appraisals** - A significant number of feasibility studies are used as input into formal appraisals, particularly in real estate projects.

**Economic Justification for Debt Financing** - Most important for this audience is the use of feasibility studies as economic justification for debt financing. In this case, feasibility studies are used as a part of the debt offering document to illustrate the market support for the project, and often its financial performance.

### **What a Feasibility Study Contains (Inputs)**

Given all of these varied uses for feasibility studies, we may ask what the relevant inputs to a good feasibility study should be. These inputs include:

**Evaluation of Proposed Concept** - A careful evaluation of the proposed project including any characteristics of the project that may make it unique.

**Location and Accessibility Characteristics** - An evaluation of the site, accessibility and any other factors in the local setting of the project that will either enhance or detract from its marketability and financial performance.

**Resident and Tourist Market Characteristics** - Evaluation of the size and nature of the resident market base for the project including definitions of the geographic reach of the project. Resident characteristics such as household size, income and mobility may be important indicators of project success. Evaluating the tourist or visitor market may be more difficult because of the way such statistics are often developed. Reliability may be a problem with these statistics, as they are often developed by agencies to support their funding and therefore, the higher the number of visitors, the better. The use of such statistics in feasibility studies needs to be carefully evaluated.

**Experience of Local Attractions** - The experience of similar local products will be important to understand and will become an important input into any projections of performance. Factors such as levels of entry fees, potential competition and location of these other local attractions need to be evaluated.

**Factors that are Changing in the Local Context** - Any factors that are changing in the local environment are important to describe. These might include the development of new roads, major marketing initiatives of a local Convention and Visitors Bureau that may draw a greater number of customers, or any number of factors that may influence the success of the project.

**Experience of Comparable Projects** - Comparable projects evaluation is always crucial — that is, what is the industry experience? If condominiums don't sell in this marketplace then great caution is needed in predicting how such a product would fare. If admission prices at certain kinds of attractions — say, theme parks — are universally similar across the country then there is a market benchmark that is important to take into consideration.

**Statistical and Qualitative Analysis** - A good feasibility study will always contain statistical and qualitative analysis. We sometimes see feasibility studies that contain significant statistical manipulation of data with very little understanding of the basic product or industry being evaluated. Conversely, a feasibility study that contains no statistical analysis may also be flawed.

**Primary Market Research** - A feasibility study may also (but not always) include primary research — that is, data collected directly from the marketplace regarding a customer's propensity to buy the particular product or visit the particular attraction. These primary market data are typically derived from consumer intercept surveys, telephone surveys or focus group research.

Based on these inputs, **Figure 1** outlines what a complete feasibility study will cover.

**Figure 1**  
**What a Feasibility Study Contains (Findings)**

- Project definition
- Market definition and analysis
- Visitation and revenue potential
- Operating expenses
- Operating profile/pro formas
- Fiscal and economic impacts
- Financing implications



### **Particular Issues with Special Use Project Feasibility Studies**

There are particular issues with feasibility studies for special uses such as theme parks, visitor attractions, sports venue facilities and similar uses. Some of these issues are discussed below.

**Poor Concept/Product Definition** - A major short-coming is the lack of a specific project concept or a poor concept definition. This is particularly true for new products or ideas that investors may have for a new project. The project may only be defined in the most conceptual way, which may make feasibility testing more difficult.

**Inaccurate Market Area Definition** - Inaccurate market area definition is another problem with many projects. Most of us know that the market for a supermarket is generally a neighborhood, but defining the market for a racetrack or a theme park may be more challenging. If we draw our market area large, we will have extensive markets to draw upon, but there is the question of the reasonableness and accuracy of such a market definition.

**Market Population Double Counting** - Market area population double counting is often seen in feasibility studies. This is particularly true when trying to distinguish between resident and visitors markets. Since there is no standard way to count visitors and/or to distinguish them from residents, it is very easy to overestimate the size of the available market, which invariably leads to inflated estimates of market support. Typical errors involve double counting visitors to a destination (the 32 million visitors to Las Vegas, for instance, represent fewer individuals because of the multiple trips that visitors typically make to Las Vegas). Another example would be to assume that the 30 million annual vehicles that pass by a site represent that number of individuals. They may, in fact, represent 50,000 people who are commuting every day!

**Misapplied Comparable Analysis** - Misapplied comparable analysis is also typically noted in special use feasibility studies. A project that represents a \$100 million investment will not likely perform the same as a \$10 million investment. Often, in feasibility studies, the best performing example in an industry is used as the benchmark — even though the scale and location of the project under consideration may be very different.

**Unrealistic Pricing Assumptions** - Pricing for a project and the level of market support are linked. That is, the higher the entry price the lower the number of customers. This relationship is often overlooked in feasibility studies, but it is crucial to project success. If we price our product above the market acceptance levels then we are very likely to experience reduced market support.

**Unrealistic Operating Costs** - This is often observed in feasibility studies where the operating costs are understated or major cost items are left out. A mass public attraction may have high insurance costs as well as high labor costs due to staff requirements to service large numbers of customers. An attraction with long operating hours will need shifts of workers. A good feasibility study will develop the operating cost profile in enough detail to reveal all of the operating costs.

**Reinvestment Not Considered** - For attractions such as theme parks there is the need for a significant level of reinvestment in new rides and attractions over the course of a decade. These costs can be quite high, but are necessary to keep the attraction competitive.

**Lack of Sensitivity Analysis** - Sensitivity analysis is often lacking in feasibility studies. This simply addresses the question of the effects of lower prices or lower than expected attendance. A good feasibility study will address these issues with alternative pro formas.

**Data is Out of Date** - Another key shortcoming is that the data used in the study are out of date. This is often true of data related to the comparable projects that may be used in the study. But it may also be true of demographic data or other data used in the study. In the financing context, the feasibility study itself may be out of date. The shelf life of feasibility studies is sometimes very short, particularly in very dynamic markets.

**Poor Project Implementation** - The most difficult task for the feasibility author is evaluating the likelihood of superior project execution. Often from the time the first feasibility work is completed until a project opens various decisions are made by the owner that negate the findings of the feasibility study. For instance, the project is built differently than originally conceived; the ticket price is increased above that used in the feasibility study; major exhibits or attraction content is left out because of construction cost over-runs; marketing is not



adequate, or any number of other actions are taken that effectively negate the original findings of the feasibility study.

#### **SUMMARY**

In summary, a good feasibility study will be current in its information base, will carefully define available markets, discuss the industry trends through the use of realistic comparable projects, and will include sensitivity testing for the key project variables.

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**ConsultEcon, Inc./Office of Thomas J. Martin** provides services to clients in the areas of project and plan concept development, evaluation and implementation, in the fields of Visitor Attractions and Facilities; and Travel, Tourism and Resort Development. Our services include:

**Market and Financial Feasibility Studies:** Evaluation of the market support for and financial feasibility of visitor attractions, recreational attractions, and real estate development projects. These analyses are important inputs to test overall feasibility and as input into business plans.

**Business Planning and Development Strategies:** Regional, state- city-wide and project-specific development strategies focusing on travel, tourism and leisure time facilities and programs.

**Socio-Economic Impact Evaluations:** Analysis of the socio-economic impacts associated with project and program development. This is often an important component in project funding with publicly supported projects.

**Project Implementation:** Targeted strategies for achieving project and plan implementation. This includes funding and financing strategies as well as representation to potential project funders.

**Management and Operational Analysis:** Evaluation of management and operational aspects of programs and projects.

Typical clients include:

- Atlanta Development Authority
- Connecticut Development Authority
- Goodspeed Opera House
- Akron Civic Theater
- Mystic Aquarium
- National Oceanic and Atmospheric Administration
- U.S. National Park Service
- U.S. Fish and Wildlife Service
- Atlanta-Fulton Recreation Authority
- Wildlife Conservation Society
- California Science Center
- Connecticut Historical Society
- North Carolina Zoo
- Cleveland Botanical Garden
- Anchorage Economic Development Corp.
- Arts Council for Chautauqua County
- Audubon Society of Rhode Island
- Georgia Sports Hall of Fame Authority
- Hudson River Greenway Conservancy
- Metropolitan District Commission
- New England Aquarium
- New York Power Authority
- Quincy 2000 Corporation
- Shedd Aquarium
- South Carolina Aquarium
- U.S. Department of the Treasury
- Advest, Inc.
- California Academy of Sciences
- Modern Continental Companies
- Mississippi River Museum



# Conference Presentation

**ConsultEcon, Inc./Office of Thomas J. Martin**  
Economic Research and Management Consultants

As a service to our clients and others, we provide conference presentations, occasional research reports and project reviews on topics of interest which highlight various trends and aspects of our practice. We provide consulting services to clients in the areas of project and plan concept development, business planning, feasibility evaluation and implementation. We specialize in the fields of visitor attractions and facilities; museums, zoos and aquariums; tourism and resort development; real estate and urban development; and community planning. We welcome your comments.

## BUSINESS PLANNING, FUNDING AND PROJECT COSTS

**A summary of remarks presented by Mr. Thomas J. Martin, President, in September 1996 at the Annual Conference of the American Zoo and Aquarium Association in Honolulu.**

Our experience has shown that there are a number of key questions that will need to be answered in the course of planning and designing a facility. I would like to structure my remarks around these questions and the way that they are often answered in the planning and design process. These are typically the questions that will reoccur throughout a planning and design process. If they are not adequately addressed during the course of the planning process, there will remain uncertainty, and those who must make the decisions and authorize the funds may be unconvinced and hesitate in authorizing the next stages of the work.

1. Is the project feasible? This question has a number of subsidiary parts or sub questions:

Will anyone come to visit the project?

Is there enough market for the project?

Will visitors pay to see the project? What will they pay? What price should we use to introduce the product?

How much will it cost to operate the project? Will revenues cover operating costs?

2. How big should the project be?

An optimum physical size? An optimum operating budget size?

3. What has been the experience of others who have built similar projects?

4. Where will we get the money for the project?

5. What will all of this planning cost?

These may not be all of the questions that decision makers will ask, but they represent key issues to be addressed in the planning process. In our experience, a good basic feasibility study and associated business plan will answer many — if not all — of these questions. Let's look at them one at a time.

### **Will anyone come to visit the project?**

This is a central question in the early planning for a project. It relates to the content of the program proposed as well as the potential competition that may exist in the market. It may also relate to the sophistication of the audience and their expectation level. We recently reviewed a project which, after it opened, did not achieve the projected level of attendance. One of the factors was that the resident audience had already been conditioned by other products in the broader market as to what an aquarium ought to contain, and the subject project

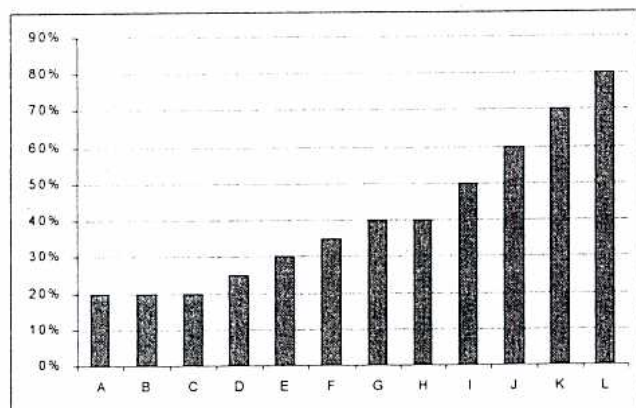


just didn't fulfill the audience expectation level. Part of the up-front work in the planning process is to market test the concepts to see how they will play to the available markets. These market tests can take different forms, but they do cost money and need to be budgeted for, if necessary.

### Is there enough market for the Project?

There are many projects that we evaluate where the proponent feels that the issues around market size are not important because "10 million people live within a hundred miles" and/or "10 million people a year travel by the site on the Interstate highway." This approach to market research has gotten more than one project in difficulty. Markets are segmented- by distance, by income, by family size and characteristics, by interests and various other factors. Markets are also segmented by place of residence and mode of travel. Some projects are very dependent on visitors to a region, while others are more dependent on the resident markets. Data in the following table, for instance, show the percentage of visitors who come from over 100 miles to visit twelve selected aquariums.

**Percent of Visitors at Existing Aquariums Whose Residences are Over 100 Miles from Facility**

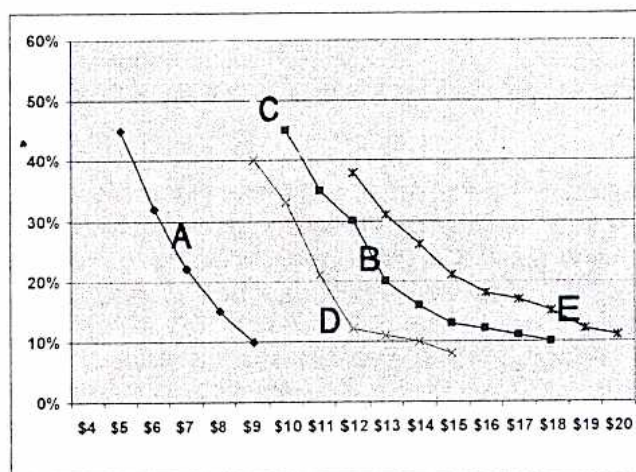


The performance of one project in a market where the bulk of visitors are tourists will not predict the performance of an attraction in a community where the bulk of the visitors will be residents. Then there is the special case where a project can induce new visitation to the region. This was an impact that was observed in the case of the Tennessee Aquarium, where visitation exceeded the projected levels. A good market study will explicate these issues in an individual case, and give guidance to the management planning and de-

### What will visitors pay to see the project? What price should we use to introduce the product?

This is one of the most important questions that needs to be answered early in the planning process, because it will likely impact on many other decisions that will be made in the course of project planning. For an expansion to an existing project there will be a history of how an audience will respond to admission prices. For a new project, admission prices will need to be set or assumed at the point where the financial feasibility is being tested. The following graphic depicts price sensitivity of visitors at five different aquariums and illustrates that pricing decisions need to reflect local market considerations.

**Likelihood to Visit at Different Prices for Five Aquariums Based on Survey Data (Adult Ticket Price)**



Again, markets are different; some are used to and expect that public attractions will be moderately priced or free; in other markets there is an expectation that prices will be at "commercial" levels. A mistaken assumption about pricing can represent a fatal flaw in any plan because admissions revenue will typically account for a high percentage of operating revenue.

In high income markets there may be less price resistance than in lower income markets. In markets dominated by tourist visitation there may be less price resistance because visitors are "on vacation." In a recent series of focus groups where various concepts were discussed, residents of the particular marketplace readily admitted that they would pay double the price for the same attraction if they encountered it — not at home — but on vacation.



The following graphic illustrates this point about the importance of admissions revenue, and shows various sources of operating income for a number of aquariums.

**Sources of Operating Income**

	A	B	C	D	E	F	G
Admissions	60%	47%	49%	67%	48%	63%	60%
Merchandise	21%	7%	30%	13%	29%	19%	21%
Membership/Contributions	16%	13%	9%	16%	7%	8%	16%
Other/Public Funds	5%	33%	12%	4%	16%	10%	3%

### **How big should the project be? Is there an optimum size for the project?**

The size of the project has many implications in terms of its marketability, its capital and operating costs. Commercial recreation developers generally work very hard to maximize the relationship between size, attraction content, how many people an hour can go through the exhibit, and the revenue potential of the attraction. This discipline is very useful in the early stages of a project in terms of providing guidance to the design team. Market and financial analysis as well as operations analysis can point to an optimum size for the project and prevent costly redesign.

### **What has been the experience of others who have built comparable projects?**

There is a wealth of experience within the aquarium, zoo and museum industries on the real costs of designing, programming and building either new projects or major expansion projects. This information, however, is typically "experiential" and resides in the various staff and consultants who have worked on projects. As one such individual recently confided, "If we had known the real costs of this project when we started, we would never have undertaken it in the first place." There may be definitional issues as to what various soft costs are and how they are accounted for. Designers, exhibit planners, owners, financial officers, and the myriad of people involved in the planning process may mean different things when they use terms such as "hard" and "soft" costs. Careful early planning will help to minimize difficulties in the later phases of the project.

### **How much will it cost to operate the project?**

While many planners and owners focus on the hard costs of a project such as the construction cost, development soft costs must be addressed, and the more significant and important on-going planning costs must be projected. It is important in the planning process to investigate these costs and to understand their impact on overall project feasibility.

### **Where will we get the money for the project?**

Funding and financing for project development are a key element in the process. There are basically three generic approaches to project funding.

- 100% Public Financed, such as the New Jersey State Aquarium at Camden.
- 100% Privately Financed, such as the Monterey Bay Aquarium
- Mixed Public/Private, which is probably the most typical approach.

Typical of what is happening today are three projects with mixed financing. In Alaska, the City of Seward is utilizing City-backed Bonds along with State and private funding. In another project, the State will provide funding on a Tax Increment approach, based on the project's ability to generate new visitors to the State. The following table shows the current financing for the South Carolina Aquarium in Charleston.

### **South Carolina Aquarium Financial Profile**

**Private Funds:** Capital campaign began late in 1993, will continue through 1998. A total of 4,900,000 in individual and corporate gifts committed.

**Public funds:** Total of \$29,500,000 in State and local public funding now committed.

**Special Funding Sources:** Total of \$5,500,000

- U.S. Economic Development Administration: \$2,500,000 awarded to support job creation.
- South Carolina Ports Authority: \$3,000,000 committed to the Aquarium as part of an investment partnership with the City of Charleston.

When we review project funding historically, we can see that there has been a wide range of types of funding used in project development. These have included well over 20 sources of funds, ranging from gifts and donations to debt financing. Indeed, aquariums were so successful, particularly in the 1980's, that various forms of debt financing have been employed.



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### **Economic Research and Management Consultants**

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The impact of debt financing on the operations of a project can be substantial, and may add millions of dollars to operating cost. Debt financing should be considered only with this impact in mind.

#### **What will all of this planning cost?**

We have talked about the various components of the planning process, now what does it cost to structure the responses to these questions, and how do they fit with the overall process?

The way that these costs are accounted for will, of course, depend upon the individual situation of the potential developer and/or owner. For a project that is an expansion to an existing aquarium or zoo, there will be a database of information and a working staff

that can assist with some of the work components. With a completely new facility, all of these planning costs will need to be included in the total project budget.

The business planning components of project planning and design will vary from project to project, but the types of work that may be required include development of a business plan, market studies, primary market research, financial feasibility studies, fund raising studies/packages, visitor profile studies, fund raising packages, bond prospecti, etc. All of this will be in addition to the basic planning and design fees, and should be considered when budgeting for the development of an expanded or new project.

Experience has shown that it generally will cost more than you think, so a contingency should also be included in the budget.

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**Management and Operational Analysis:** Evaluation of management and operational aspects of programs and projects.

Some of our clients include:

- Mystic Aquarium
- Alaska SeaLife Center
- North Carolina Zoo
- Shedd Aquarium
- Wildlife Conservation Society
- National Oceanic and Atmospheric Administration
- U.S. National Park Service
- U.S. Fish and Wildlife Service
- Indianapolis Zoo
- Seattle Aquarium Society
- Monterey Bay Aquarium
- National Aquarium (Baltimore)
- New Jersey State Aquarium
- Cleveland Botanical Garden
- Florida Aquarium
- New England Aquarium
- South Carolina Aquarium
- National Aviary
- California Academy of Sciences
- California Science Center
- Pflieger Institute of Environmental Research
- Gulf of Maine Aquarium Development Corp.
- J.L. Scott Marine Science Center
- Gray's Reef National Marine Sanctuary
- Mississippi River Museum
- Audubon Society of Rhode Island
- U.S. Department of the Treasury

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**Council Agenda Item #R6****SUMMARY:**

This item is for Council approval of Change Order No. 4, in the amount of \$99,560.54, and an extension of 86 calendar days, for the construction of Arapaho Road, Phase III, from Surveyor Blvd. to Addison Road.

**FINANCIAL IMPACT:**

Budgeted Amount:	Not specifically budgeted
Change Order Cost:	\$99,560.54
Source of Funds:	Funds were identified in the budget revision presented and approved in April that anticipated possible change orders that would cover this amount.

**BACKGROUND:**

This change order was originally brought to council on September 13, 2005 and at that time it included a note that was added by the contractor. The note has been removed based on direction from the council. The contractor has told staff that they accept this change order as it is and are satisfied. The change order is now consistent with all previously approved and submitted change orders with no modifications.

The Arapaho Road, Phase III project is currently under construction from Surveyor Blvd. to Addison Road. In June 2004, a construction contract was awarded to Archer Western, Ltd., in the amount of \$16,702,578.42. During the construction of these improvements, The Public Works Department staff and the Contractor have jointly identified several necessary field changes related to the project. Three previous change orders, in the amounts of \$8,509.00, \$17,548.18, and \$124,766.25, respectively were generated as a result of field changes to the original design. As the construction of Arapaho Road has progressed, it was determined that Change Order No. 4, in the amount of \$99,560.54, is also necessary to complete the project. This change order is the result of numerous construction issues (see attachment) that occurred. In addition, some of the items included in the change order created unavoidable delays in construction. As a result, staff determined that the Contractor should receive a total of 86 days added to the original contract time of 425 calendar days for this project.

The addition of Change Order No 4 increases the total construction cost to \$16,952,962.39. This represents a 1.50% increase over the contract construction cost. Typically, a project of this scope and magnitude will experience change orders totaling approximately 4% of the original contract price. Fortunately, staff has worked with the Contractor to effectively minimize the value of change orders on this project to date. However, due to the nature of these improvements and remaining scope of roadway and bridge improvements remaining to be constructed, it is anticipated that staff may submit a future change order to Council for consideration and approval well within the 4% figure.

**RECOMMENDATION:**

Staff recommends that Council authorize the City Manager to approve Change Order No. 4, in the amount of \$99,560.54, and an extension of 86 calendar days, for the construction of Arapaho Road, Phase III, from Surveyor Blvd. to Addison Road.



## TOWN OF ADDISON, TEXAS

ARAPAHO ROAD - PHASE III

Project No. 04-022

CHANGE ORDER NUMBER: 41. CONTRACTOR: Archer Western Contractors2. Change Order Work Limits: Sta. 34+07 to Sta. 87+88

3. Describe the work being revised:

See Attached Reason Sheet

4. Work to be performed in accordance with Items: See attached Tables5. New or revised plan sheet(s) are attached and numbered: SW-17, SW-24, Ir-09, SGT-HB03A, MBGF-03A6. New general notes to the contract are attached: ☐ Yes ☒ No7. New Special Provisions to Itc N/A No. N/A, Special Specification Item N/A are attached.

Each signatory hereby warrants that each has the authority to execute this Change Order (CO).

<p><i>The contractor must sign the Change Order and, by doing so, agrees to waive any and all claims for additional compensation due to any and all other expenses; additional changes for time, overhead and profit; or loss of compensation as a result of this change.</i></p> <p>THE CONTRACTOR</p> <p>By <u>[Signature]</u> Date <u>9/21/05</u></p> <p>Typed/Printed Name <u>BREN J. WILKINSON</u></p> <p>Typed/Printed Title <u>PROJECT MANAGER</u></p>	<p><b>The following information must be provided</b></p> <p>Time Ext. #: <u>1</u> Days added on this CO: <u>86</u></p> <p>Amount added by this change order: <u>\$99,560.54</u></p>
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## RECOMMENDED FOR EXECUTION:

<p><u>[Signature]</u> <u>9/21/05</u></p> <p>Construction Inspector Date</p>	<p><input type="checkbox"/> APPROVED Town of Addison Director of Pubic Works Date</p>
<p><u>[Signature]</u> <u>09.21.05</u></p> <p>Project Manager Date</p>	<p><input type="checkbox"/> APPROVED Town of Addison Asst. Pubic Work Director Date</p>
	<p><u>[Signature]</u></p> <p><input type="checkbox"/> APPROVED Town of Addison Asst. City Engineer Date</p>

## CHANGE ORDER NO. 4

[illegible][illegible]



**CHANGE ORDER NO. 4**

[illegible]

**Arapaho Road – Phase III  
Surveyor Blvd. to Addison Road  
Project No. 04-22**

**Change Order No. 4**

**Reason for Change**

This change order will increase work by thirteen new contract work items, the reduction in quantity of one original bid items and the increase in quantity of 3 original bid items. The change order will result in twenty (20) days time extension to the contract.

**Item 151 - SGT (8)-03A Single Guardrail System (Related PCO #46):**

History of why the change order occurred – Deletion of the original bid item, which is replaced by the new Item 1231.

Impact to the contract amount – A credit amount of \$4,924.50 to the base contract.

Impact to the project schedule – The project calendar day total is not affected.

**Item 224 – 8-foot recessed Inlet (Related to PCO #48):**

Contractor was instructed to provide an additional 8-foot recessed inlet to be compensated under the existing contract bid item unit price.

History of why the change order occurred – The 8-foot standard inlet was relocated to station 44+85 to eliminate a conflict with the required T4 rail and reduce the impact of the construction on the adjacent property owner. To eliminate these conditions the inlet was installed at the end of the T4 Rail.

Impact to the contract amount – A total dollar amount of \$1,750.00 is approved.

Impact to the project schedule – The project calendar day total is not affected.

**Item 228 – 2-Grate Inlet:**

The contractor was asked to provide additional 2-Grate Inlets, which would be compensated under the existing contract bid item unit price.

History of why the change order occurred – After the start of the construction, it was observed that storm water runoff from adjacent properties would be trapped or have an excessive sheet flow. Due to these conditions, several areas were redesign to collect the storm water runoff into the future box culverts.



Impact to the contract amount – A total dollar amount of \$16,100.00 is approved.

Impact to the project schedule – The project calendar day total is not affected.

**Item 322 – Lighting Control Center:**

Contractor was requested to provide one additional lighting control center, which will be compensated under the existing contract bid item unit price.

History of why the change order occurred – The Town of Addison requested the additional lighting control center be installed to separate the pedestrian and street lighting systems from being controlled by one cabinet and meter.

Impact to the contract amount – A total dollar amount of \$6,000.00 is approved.

Impact to the project schedule – The project calendar day total is not affected.

**Item 1224 – Relocate Fence at Storage Facility (PCO #14):**

History of why the change order occurred – Existing fire hydrant needed to be relocated per construction plans. The temporary security fence constructed along the Watson-Taylor storage facility had to be relocated in order to relocate the fire hydrant.

Impact to the contract amount – The dollar amount of \$554.76 is approved.

Impact to the project schedule – The contractor has not claimed additional days for this work. The project calendar day total is not affected.

**Item 1225 – 9x5 Box Culvert Modification-conflict with existing Gas & SBC services (PCO # 19):**

Contractor claims a sixteen day delay in being able to lay box culverts A & B due to a conflict with an existing gas line and an SBC ductbank. Contractor also claims \$3,202.48 for additional costs incurred.

History of why the change order occurred – During the installation of the storm sewer box culvert a conflict developed with an existing main and an abandoned SBC ductbank. A new design was developed in order to incorporate the gas line encasement into the bottom slab of the storm sewer box culvert. This work directly impacted the critical path of the project.

Impact to the contract amount – The dollar amount of \$3202.48 is approved.

Impact to the project schedule – The project calendar days will be extended sixteen days.

**Item 1226 – Paint System for the T4 Railing (PCO #24):**

Contractor was asked to change to a more durable paint system, more suitable for steel application.

History of why the change order occurred – Initial paint specified for the Pedestrian Railing was a System II vinyl paint. After reviewing the specifications and expected performance with the contractor and his paint subconsultant it was determined that a Carboline acrylic paint system was more advantageous to the pedestrian rail.

Impact to the contract amount – The dollar amount of \$18,351.45 is approved.

Impact to the project schedule – The contractor has not claimed additional days for this work. The project calendar day total is not affected.

**Item 1227 – Paint System for the Pedestrian Railing (PCO #24):**

Contractor was asked to change to a more durable paint system, more suitable for steel application.

History of why the change order occurred – Initial paint specified for the Pedestrian Railing was a System II vinyl paint. After reviewing the specifications and expected performance with the contractor and his paint subconsultant it was determined that a Carboline acrylic paint system was more advantageous to the pedestrian rail.

Impact to the contract amount – The dollar amount of \$11,113.89 is approved.

Impact to the project schedule – The contractor has not claimed additional days for this work. The project calendar day total is not affected.

**Item 1228 – Comfort Suite – Irrigation System in along ROW (PCO #30):**

Contractor claims \$3,577.65 for additional costs incurred to add 3 additional irrigation zones.

History of why the change order occurred – During design of the project this area was not designed to have irrigation due to existing irrigation coverage. During construction it was noted that the irrigation system in place was owned by a private land owner. The Town made the decision to cover this area with irrigation within their own right of way limits

Impact to the contract amount – The dollar amount of \$3,577.65 is approved.

Impact to the project schedule – The contractor has not claimed additional days for this work. The project calendar day total is not affected.



**Item 1229 – Closing Existing Opening in Box Culvert (PCO #41):**

Contractor claims a one day delay in closing the opening in the existing Box Culvert. Contractor also claims \$551.65 for additional costs incurred.

History of why the change order occurred – During the construction of the new storm sewer box culvert lines A & B, the existing box culvert line B was found to have two abandoned pipes connected to the culvert which had to be removed to construct line A. The opening created by the removal of the abandoned pipe from the existing box culvert had to be sealed.

Impact to the contract amount – The dollar amount of \$551.65 is approved.

Impact to the project schedule – The contractor has claimed one additional day for this work. This work did not affect the critical path of the project. The project calendar day total is not affected.

**Item 1230 – 10x6 Box Culvert Modification-conflict with existing Sanitary Sewer (PCO #42):**

Contractor claims a two day delay in being able to lay box culverts A & B due to a conflict with an existing sanitary sewer at Surveyor Blvd. Contractor also claims \$4,315.26 for additional costs incurred.

History of why the change order occurred – During the installation of the storm sewer box culvert, a conflict developed with an existing sanitary sewer. A new design was developed in order to incorporate the sanitary sewer encasement into the bottom slab of the storm sewer box culvert.

Impact to the contract amount – The dollar amount of \$4,315.26 is approved.

Impact to the project schedule – The contractor has claimed two additional days for this work. This work did not affect the critical path of the project. The project calendar day total is not affected.

**Item 1231 – SGT (8) HB-03A Single Guardrail System (PCO #46):**

Contractor was asked to provide the single guardrail system utilizing a steel post application. Contractor provided a new price per each installation.

History of why the change order occurred – During the submittal process it was discovered that there was a conflict between the bid item description and the notation on the contract plans. The contractor was requested to provide a price for the installation of a single guardrail system utilizing a steel post application.

Impact to the contract amount – A total dollar amount of \$5,612.82 is approved.

Impact to the project schedule – The project calendar day total is not affected.

**Item 1232 – Tie-in of new lateral C-3A (PCO #48):**

Contractor was requested to provide a cost proposal for the addition of an inlet and all related work along the south side of the East bound traffic lanes at station 80+76.88.

History of why the change order occurred – The roadway alignment across the existing railroad track had to be redesigned due to DGN&O railroad changes to the elevation of the existing rail grade crossing after construction began. Since the designed drainage system had been installed prior to the changes, the new inlet would have to be installed at the new low point along the future roadway.

Impact to the contract amount – A total dollar amount of \$524.36 is approved.

Impact to the project schedule – The project calendar day total is not affected.

**Item 1233 – Police Escort for U-Beam Delivery (PCO #50):**

Contractor was requested have the delivery of the bridge U-beams at night. This required the contractor to have a police escort through intersections within the Dallas City Limits.

History of why the change order occurred – The contractor original schedule of the delivery of the U54-beams was during day light hours. At the request of the Town of Addison, the first delivery was re-scheduled to after midnight. This created a safety issue of moving the large beams at night through the street intersections. The Dallas police was contracted to provide safe passage through the intersections within their jurisdiction.

Impact to the contract amount – A total dollar amount of \$672.00 is approved.

Impact to the project schedule – The project calendar day total is not affected.

**Item 1234 – Pedestrian Rail Pennant Material (PCO #51):**

Contractor claims \$3,075.61 for additional costs incurred to change the original gauge steel for the pennant application to the pedestrian. This change was determined during the shop drawing submittal procedure.

History of why the change order occurred – After several discussion between the railing manufacture and designer, it was decided to increase the gage thickness to provide a better wieldable steel to prevent buckling and warping that might occur during the attachment of the pennant steel to the railing, while still providing a strong attachment and cleaner look to the surface of the pedestrian railing.

Impact to the contract amount – A total dollar amount of \$3,075.61 is approved.

Impact to the project schedule – The project calendar day total is not affected.



**Item 1235 – Traffic Signal Foundation Changes (PCO #57):**

Contractor was requested to provide a cost proposal to change the size of two traffic signal foundations.

History of why the change order occurred – The change in the size of the two traffic signal foundations occurred due to the as-built condition of the existing traffic signal anchor bolt pattern being different than what was expected in the plans. The differing anchor bolt pattern was in conflict with newer standards that exist for the required size of the foundation in relationship to anchor bolt pattern dimension.

Impact to the contract amount – A dollar amount of \$1,524.90 is approved.

Impact to the project schedule – The project calendar day total is not affected.

**Item 1236 – MBGF Inlet Posts (PCO #46):**

Contractor was requested provide a unit price to provide an inlet mounted guardrail fence post.

History of why the change order occurred – The 8-foot standard inlet was relocated to station 44+85 to eliminate a conflict with the required T4 rail and reduce the impact of the construction on the adjacent property owner. To eliminate these conditions the inlet was installed at the end of the T4 Rail.

Impact to the contract amount – A total dollar amount of \$408.21 is approved.

Impact to the project schedule – The project calendar day total is not affected.

**Item 1237 – TXU Power Lines @ Midway (PC-#5043):**

Contractor claims a seventy-five day delay for being unable to install the box culvert across Midway Road and beginning Span 9 work with the existing overhead power line. Contractor also claims \$30,090.00 for additional costs incurred.

History of why the change order occurred – Archer Western Contractor was request to stop work, allowing the TXU contractor to perform the required work to remove the over head power line. Upon, the stopping and starting of work at Midway Road it was determined that Archer Western Contractor had encounter delays due to the overhead power lines.

Impact to the contract amount – A total dollar amount of \$25,400.00 is approved.

Impact to the project schedule – The seventy -five day portion of the claim was reduced to sixty days base on the critical path and the review of the actual stops and starts of work.

## **PCO #6 – Oncor Redesign of Conduit Crossing**

Item 1202 – Contractor claims a fourteen day delay in being able to lay box culverts A & B due to TXU electrical conduit being altered for clearance requirements set by DWU and TXU. Contractor claims ten day delay between 08/30/04 and 09/09/04. Contractor also claims a four day delay for laying the box in reverse.

History of why the change order occurred – After the project was bid, TXU Electric notified HNTB of a requirement to have a minimum cover of three foot cover over the electrical conduit. During the construction of the conduits we were informed by DWU they needed five foot of clearance between their top of pipe and the electrical conduit.

Impact to the contract amount – The dollar amount of 7,841.51 was approved on change order # 2.

Impact to the project schedule – The ten day portion of the claim is reduced to six days base on the critical path not being exceeded as referenced in a letter from HNTB to Archer Western Contractors, Ltd. dated June 3, 2005 and also allowing Archer Western compensation to excel the schedule. The four day claim to install the box culvert in reverse is agreed to. The project calendar days will be extended a total of ten days.

**HNTB Corporation**

**Guy Van Baulen**



**Council Agenda Item #R7****SUMMARY:**

This item is for Council authorization for the City Manager to reimburse the Dallas, Garland & Northeastern Railroad, Inc., for installation of highway grade crossing signals on the Arapaho Road, Phase III project.

**FINANCIAL IMPACT:**

Cost: \$1,321,278.00

Source of Funds: Funds have been identified to support this amount, primarily from the 2006 bond sale.

**BACKGROUND:**

The Town of Addison entered into a New Highway Crossing Agreement in 2001 with Union Pacific Railroad Company and Dallas Garland & Northeastern Railroad (DGNO), for the specific purpose of purchasing the “wye” tract of land for future construction of Arapaho Road, Phase III. As part of this agreement, DGNO also agreed to construct two new at-grade rail crossings on this site, including associated warning devices and signals, and the Town agreed to pay the full cost for the work performed and materials supplied by DGNO. In addition, the Town agreed to pay for the cost of subsequent maintenance, repair and replacement of any damage occurring to the signals and warning devices. This agreement permitted the Town to proceed with design and construction of the Arapaho Road improvements.

Construction of the third phase of Arapaho Road is nearing completion and it is time for DGNO to perform the installation of the at-grade crossings and signals. The Town received an estimate of costs for this work, in the total amount not to exceed \$1,321,278.00. This cost is very close to the original budgeted amount of \$1,300,000 that the Town previously received from DGNO, and it includes the following items of work:

- Removal of existing rail, crossties, ballast, and installation of new base material, perforated drains, 115 lb. rail, and concrete crossing planks.
- Upgrade of three switches to accommodate new Hydra Power Switch machines.
- Removal of inside house track, consisting of two switches and 786 ft. of rail.
- Rehabilitate the east and west legs between the new crossings and north switches with 115 lb. rail.
- Boring and installation of 2, 3, & 4 inch PVC conduit for providing electrical power to the warning devices and controllers.
- Installation of three 200 amp pedestal meter bases and associated concrete vaults.

DGNO is currently scheduled to complete installation of all crossing improvements inside the “wye” tract in October 2005, and should be within the current construction schedule for the final stages of completion of the Arapaho Road, Phase III improvements.

**RECOMMENDATION:**

It is recommended that Council authorize the City Manager to reimburse the Dallas Garland & Northeastern Railroad, Inc., in the total amount not to exceed \$1,321,278.00, for the installation of highway grade crossing signals on the Arapaho Road, Phase III project.





# DALLAS, GARLAND & NORTHEASTERN RAILROAD, INC.

403 International Pkwy., Suite 500 • Richardson, TX • 75081  
Phone 972-808-9800 • Fax 972-808-9903

September 14, 2005

Town of Addison  
Attn: Ms. Nancy Cline  
PO Box 9010  
Addison, TX 75001-9010

RE: Addison Rd. (WYE), Arapaho East & West, Beltline Rd. Crossing Project

Dear Ms. Cline:

We are in the process of making sure that the Town of Addison and the Dallas, Garland & Northeastern Railroad (DGNO) has complete and correct information regarding the project listed above. Letter dated July 21, 2005 indicated \$1,250,711.00 for the project. There is also a letter dated August 17, 2005 for the boring @ \$28,167" and "electrical @ \$42,400", a total of \$70,567.00. These two letters would make the total estimated cost of the project listed at \$1,321,278.00

We have put together the following costs on the project listed. They are the following:

Four Railroad/Highway Grade Crossings (including the boring and electrical)	\$807,638
Two Concrete Crossings and Three Power Switches	\$426,111
DGNO Engineering, Flagging and G & A Cost	\$87,529

Total Cost of Project is \$1,321,278

If you have any questions, please do not hesitate to call me at 972-808-9800 ext. 221

Regards,

James R. Kuntz II  
General Manager  
Dallas, Garland & Northeastern Railroad (DGNO)

Agreement Number \_\_\_\_\_

## NEW PUBLIC HIGHWAY CROSSING AGREEMENT

ARAPAHO ROAD  
MILE POST 598.3 - DAL-NOR BRANCH  
ADDISON, DALLAS COUNTY, TEXAS

THIS AGREEMENT, made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, by and between **UNION PACIFIC RAILROAD COMPANY**, a Delaware corporation to be addressed at 1800 Farnam Street, Omaha, Nebraska 68102 (hereinafter the "UP") and **DALLAS GARLAND & NORTHEASTERN RAILROAD**, a Texas corporation (hereinafter the "Railroad"), and the **TOWN OF ADDISON, TEXAS**, a municipal corporation of the State of Texas to be addressed at PO Box 9010, Addison, TX 75001-9010 (hereinafter the "Town"),

WITNESSETH:

RECITALS:

The Town desires to undertake as its project the construction of two new at-grade public road crossings (hereinafter the "Project").

The Town desires the right to use for the Project that portion of the right-of-way of the Railroad at 598.3 on the Dal-Nor Branch (hereinafter the "Crossing Area") shown and described on the attached prints dated March 27, 2001, marked Exhibit A.

The Town and UP entered into one (1) certain Letter Agreement dated December 14, 2001 concerning UP's sale of certain real property to the Town located adjacent to and surrounding the Crossing Area, as more specifically described therein, (the "Real Estate Contract"). The obligations of the Parties hereto are expressly conditioned on the closing of the Real Estate Contract, as defined therein.

AGREEMENT:

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as follows:

### ARTICLE 1 - RAILROAD GRANTS RIGHT

For and in consideration of the Town's agreement to perform and abide by the terms of this Agreement, including Exhibit A, B, and B-1, attached hereto and hereby made a part hereof, the UP and the Railroad hereby grant to the Town, the right to establish, construct, maintain, repair, renew, and use a public highway and right of way at grade over and across the Crossing Area, (together with any and all uses incidental thereto, including, without limitation, the installation, repair, maintenance, and replacement of water lines, sanitary sewer lines, drainage, and other utilities typically located underground within public right of way), provided that the Railroad consents in writing to the installation of the above utilities, such consent to not be unreasonably withheld, together with the right of entry to control and remove from the Railroad's right-of-way, on each side of the Crossing Area, weeds and vegetation which may obstruct the view of motorists, approaching the Crossing Area, to any trains that may also be approaching the Crossing Area.

### ARTICLE 2 - ADMINISTRATIVE FEE

The Town shall pay to UP TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00) as



reimbursement for clerical, administrative and handling expense in connection with the processing of this Agreement.

**ARTICLE 3 - CERTIFICATE OF INSURANCE**

A. Before any work on the Premises begins, the Town (as defined in Section 8(a) of Exhibit B to this Agreement) will provide the UP and the Railroad with a Certificate issued by its insurance carrier providing the insurance coverage required pursuant to Exhibit B-1 of this Agreement in a policy containing the following endorsement:

"Union Pacific Railroad Company and Dallas Garland & Northeastern Railroad are named as additional insured with respect to all liabilities arising out of Insured's performance of the work required for the Project."

B. The Town WARRANTS that this agreement has been thoroughly reviewed by its insurance agent(s)/broker(s) and that said agent(s)/broker(s) has been instructed to procure insurance coverage and an endorsement as required herein.

C. All insurance correspondence shall be directed to: Union Pacific Railroad Company, 1800 Farnam Street, Omaha, Nebraska 68102, with reference to Folder No. 1976-54.

D. The Town may self-insure all or a portion of the insurance coverage required hereunder, subject to UP and the Railroad's review and approval. However, the Town's contractor/subcontractor (if any) shall obtain and provide evidence of insurance coverage pursuant to Exhibit B-1 of this agreement.

**ARTICLE 4 - IF WORK IS TO BE PERFORMED BY CONTRACTOR**

If a contractor is to perform any of the work on the Project (including initial construction and subsequent relocation or substantial maintenance and repair work), then the Town shall require its contractor to execute the Railroad's Contractor's Right of Entry Agreement attached hereto as Exhibit C, including revisions thereto that Railroad is willing to approve, which approval shall not be unreasonably withheld, and hereby made a part hereof. Town acknowledges receipt of a copy of the Right of Entry Agreement and understanding of its terms, provisions, and requirements, and will inform its contractor of the need to execute the Agreement. Under no circumstances will Town's contractor be allowed onto the Railroad's premises without first executing the Contractor's Right of Entry Agreement.

**ARTICLE 5 - WORK TO BE PERFORMED BY THE RAILROAD**

A. The Railroad may make any and all changes, alterations or relocations, whether temporary or permanent, and may provide flagging and other protective services and devices, which in the Railroad's judgment may be or become necessary or expedient within the Railroad's right-of-way because of the Project, provided, however, that this right to make such changes, alterations or relocations shall not be a right to eliminate, ~~diminish, reduce~~ or unreasonable interfere with the crossing rights of the Town.

B. The Railroad shall, at the sole cost and expense of the Political Body, maintain, repair, and replace the warning devices installed hereunder; PROVIDED, HOWEVER, that this provision shall not negate the Railroad's eligibility for any further federal, state or local or other public funds that may become available for the maintenance of said devices; and PROVIDED, FURTHER, that the cost of repair or replacement resulting from damage caused by non-parties that is not recoverable by the Railroad from the non-parties shall be borne entirely by the Town.

C. The Town agrees to pay the Dallas Garland & Northeastern Railroad for the work performed and materials supplied by the Dallas Garland & Northeastern Railroad for the Project.

ARTICLE 7 - EFFECTIVE DATE; TERM

This Agreement shall become effective as of the date first herein written, or the date work commences on the Project, whichever is earlier, and shall continue in full force and effect until terminated as herein provided. Notwithstanding any provision herein, the parties hereto agree and acknowledge that the obligations arising hereunder are conditioned upon and subject to the closing of the Real Estate Contract and if the closing is rescheduled for a later date, then the obligations of the parties hereunder shall commence following the closing on the rescheduled closing date.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in triplicate as of the date first herein written.

UNION PACIFIC RAILROAD COMPANY

By [Signature]  
Asst. Vice President- Real Estate

DALLAS GARLAND & NORTHEASTERN RAILROAD

By [Signature]  
Title: REGIONAL VICE PRESIDENT

ATTEST:

TOWN OF ADDISON, TEXAS

\_\_\_\_\_  
By [Signature]  
Title: CITY MANAGER

(Seal)

Resolution No.: \_\_\_\_\_  
Pursuant to Resolution/Order dated: \_\_\_\_\_

\_\_\_\_\_, 200\_\_\_\_  
hereto attached.



## **Council Agenda Item: #R8**

**There are no attachments for this item.**

## **Council Agenda Item: #R9**

### **SUMMARY:**

Council approval is requested of ordinances adopting the Town of Addison annual budget for the fiscal year 2005-06 and for the property tax rate.

### **FINANCIAL IMPACT:**

The budget appropriates \$59,051,610 using \$52,690,060 in revenues and \$6,361,550 in reduction of combined fund balances.

### **BACKGROUND:**

The budget presented to Council for adoption is practically identical to the city manager's revised budget that had been presented to council at the public hearing conducted on September 13, 2005 with minor modifications having been made in the Airport and Utility funds.

### **RECOMMENDATION:**

It is recommended Council approve the budget and tax rate ordinances for the 2005-06 fiscal year.



## ORDINANCE NO. 05 -

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS APPROVING AND ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2005 AND ENDING SEPTEMBER 30, 2006; PROVIDING THAT SAID EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET; PROVIDING FOR A REPEAL CLAUSE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, THAT:

WHEREAS, the City Manager of the Town of Addison, Texas has heretofore filed with the City Secretary a proposed general budget for the city covering the fiscal year aforesaid; and

WHEREAS, during a public hearing, all interested persons were given the opportunity to be heard for or against any item or the amount of any item contained in said budget, and all said persons were heard, after which said public hearing was closed; and

WHEREAS, the City Council, upon full consideration of the matter, is of the opinion that the budget hereinafter set forth is proper and should be approved and adopted:

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

SECTION 1. The sum of \$59,051,610 is hereby appropriated for budget expenditures and that expenditures during the fiscal year shall be made in accordance with the budget approved by this ordinance unless otherwise authorized by a duly enacted ordinance of the City.

SECTION 2. The budget as adopted shall be deemed the official budget for the Town of Addison, Texas for the said fiscal year and a copy of the same marked "Exhibits A through H" shall be kept on file with the City Secretary and shall be open to inspection by any interested persons.

SECTION 3. That all ordinances of the City in conflict with the provisions of this ordinance be, and the same are hereby repealed and all other ordinances of the city not in conflict with the provisions of this ordinance shall remain in full force and effect.

DULY PASSED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, on this the 27<sup>th</sup> day of September 2005.

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Mayor Joe Chow

ATTEST:

APPROVED AS TO FORM:

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Carmen Moran, City Secretary

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Ken Dippel, City Attorney

**Council Agenda Item: #R10**

**SUMMARY:**

Council approval is requested of ordinances adopting the Town of Addison annual budget for the fiscal year 2005-06 and for the property tax rate.

**FINANCIAL IMPACT:**

The budget appropriates \$59,051,610 using \$52,690,060 in revenues and \$6,361,550 in reduction of combined fund balances.

**BACKGROUND:**

The budget presented to Council for adoption is practically identical to the city manager's revised budget that had been presented to council at the public hearing conducted on September 13, 2005 with minor modifications having been made in the Airport and Utility funds.

**RECOMMENDATION:**

It is recommended Council approve the budget and tax rate ordinances for the 2005-06 fiscal year.



## AN ORDINANCE # 05 -

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS FIXING  
AND ADOPTING THE TAX RATE ON ALL TAXABLE PROPERTY,  
FOR THE YEAR 2005; AND DECLARING AN EMERGENCY.

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, THAT:

WHEREAS, pursuant to V.T.C.A. Tax Code Sections 26.04 through 26.06, the Tax Assessor-Collector has calculated the tax rate for the fiscal year 2005-06 which cannot be exceeded without requisite publications and public hearing; and

WHEREAS, the tax rate for fiscal year 2005-06 as contemplated by the City Council and adopted herein did exceed the rate calculated by the Tax Assessor-Collector; and

WHEREAS, the Town of Addison complied with the State of Texas Truth-in-Taxation laws and advertised the proposed tax rate and conducted two public hearings on the tax rate; and

WHEREAS, upon full review and consideration of the matter, the City Council is of the opinion that the tax rate for year 2005 set, fixed and adopted herein below is proper;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

SECTION 1. That for the year 2005 there is hereby levied an ad valorem tax of \$.4760 on each \$100.00 of assessed valuation for all taxable property located in the Town of Addison the 1st day of January 2005, and not exempted from taxation by the constitution and laws of the State of Texas.

SECTION 2. That \$.3060 of said tax shall be for the purposes of General Fund maintenance and operation of the Town of Addison.

SECTION 3. That \$.1700 of said tax shall be for the purpose of paying interest and principal on the General Obligation and Certificate of Obligation debt of the Town of Addison.

SECTION 4. That the Tax Assessor-Collector, or her designee is hereby authorized to assess and collect the tax rates and amounts herein levied.

SECTION 5. Taxes that are and remain delinquent on July 1, 2006 incur an additional penalty of twenty percent (20%) of the amount of delinquent taxes, penalty and interest collected; such additional penalty is to defray the costs of collection due pursuant to the contract with the Town's attorney authorized by Section 6.30 of the Texas Property Tax Code, as amended.

SECTION 6. That the necessity for setting the tax rates as required by the laws of the State of Texas creates an urgency and an emergency and requires that this ordinance shall take effect and be in force from and after its adoption.

DULY PASSED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS on this the 27<sup>th</sup> day of September 2005.

\_\_\_\_\_  
Mayor Joe Chow

ATTEST:

\_\_\_\_\_  
Carmen Moran, City Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Ken Dippel, City Attorney

**Council Agenda Item: #R11****SUMMARY:**

Staff requests approval of four ordinances amending Development Fees:

- Chapter 67, Article IV, Section 67.20 – Restaurant/Retail Promotional Fee
- Chapter 46, Article II, Section 46.32 – Food Service License Fees
- Appendix B, Section IX.A – Plat Fees
- Chapter 18, Article XXVI, Section 18.53 – Certificate of Occupancy Fee and Chapter 18, Article I, Section 18.2 – Zoning Verification Letter Fee, Zoning Fee, Special Use Permit Fee and Variance Fee

These four ordinances will be listed as four separate agenda items since they each require Council action, but will be presented and discussed as one item.

**FINANCIAL IMPACT:**

Additional revenue generated from these proposed ordinances is projected to be \$25,690. This increase in revenue is reflected in the FY05-06 Budget.

**BACKGROUND:**

During the development of the FY05-06 budget, staff from Development Services and Financial and Strategic Services met to review the current fee structure for Development Services and to identify any changes needed to this fee structure. As a part of this review, we examined the fee structure of other cities in the area. Addison's development fees were found to be less than or comparable to other communities in the Metroplex.

Development Services fees serve three main purposes:

- Cover operational costs for inspecting these services for buildings and food safety codes
- Help control behavior by placing a monetary impact on particular activities
- Do not place Addison at a competitive disadvantage when competing for new businesses by having a fee structure that is comparable or less than other cities in the area

During this examination, staff reviewed what it actually cost to provide these services (staff time, supplies, etc.) Many of the current fees are not recovering the costs to provide these services. For example, the cost for staff to review and issue a permit for special promotions is currently \$30.00. Staff estimates that it costs \$76.77 to provide this service, therefore a fee of \$75.00 is recommended.

Attached are PowerPoint slides which illustrate the recommended fee increases, including information related to the current fee, cost to provide services, proposed fee



and additional revenue. In addition, staff is recommending one new fee – zoning verification letter. A zoning verification letter is requested often by non-residents to provide documentation of the zoning of a particular property. This fee is charged by a majority of cities in Dallas County.

A new fee structure for the Certificate of Occupancy permit is also being proposed. Staff recommends creating a fee structure based on the square footage of the building as opposed to current fee structure which charges the same fee regardless of the size of the building. Because larger buildings require additional staff time to inspect, a fee structure based upon size of the building would be more fair and equitable to these businesses.

Fees related to zoning, special use permit and variances are also listed in these proposed ordinances. These fees are currently being charged and no change is recommended, but they are currently not listed in the Code of Ordinances. Staff wishes to list these fees in the Code of Ordinances to ensure uniformity in Development Services fees.

**RECOMMENDATION:**

Staff recommends approval of the attached ordinances.

## TOWN OF ADDISON, TEXAS

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING CHAPTER 67 (SPECIAL EVENTS), ARTICLE IV (RESTAURANT/RETAIL PROMOTIONAL EVENTS) OF THE CODE OF ORDINANCES OF THE CITY BY AMENDING SECTION 67-20(C) BY INCREASING THE APPLICATION FEE FOR RESTAURANT/RETAIL PROMOTIONAL EVENT; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE AND PROVIDING AN EFFECTIVE DATE.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:**

**Section 1. Amendment.** Chapter 67 (Special Events), Article IV (Restaurant/Retail Promotional Events) of the Code of Ordinances (the "Code") of the Town of Addison, Texas is hereby amended in the following particulars, and all other chapters, articles, section, subsections, paragraphs and words are not amended but are ratified and confirmed.

A. Subsection (c) of Section 67-20 of Chapter 97, Article IV of the Code is hereby amended to read as follows (additions are underlined, deletions are ~~struck through~~)

- (c). A non-refundable application fee in the amount of ~~\$25.00~~ \$75.00 must be submitted with each application.

**Section 2. Effective Date of Increase.** The changes in the fees are set forth in Section 1 above shall be effective as of October 1, 2005.

**Section 3. Savings.** This Ordinance shall be cumulative of all other ordinances of the City and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those Ordinances are in direct conflict with the provisions of this Ordinance.

**Section 4. Severability.** The sections, paragraphs, sentences, phrases, clauses and words of this Ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, and the City Council hereby declares that it would have passed such remaining portion of this Ordinance despite such invalidity, which remaining portion shall remain in full force and effect.

**Section 5. Effective Date.** This Ordinance shall become effective from and after its date of passage and publication as provided by law.

OFFICE OF THE CITY SECRETARY

ORDINANCE NO. \_\_\_\_\_



**PASSED AND APPROVED** by the City Council of the Town of Addison, Texas this  
\_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Joe Chow, Mayor

ATTEST:

By: \_\_\_\_\_  
Carmen Moran, City Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Ken Dippel, City Attorney

## Development Services Fees

Recommended Fee Increases  
August 2005

## Certificate of Occupancy

- Current Fee: \$50.00 (regardless of size)
- Cost to Provide Service: \$52.52 for a 5,000 square foot building
- Proposed Fee:

0 - 5,000 sq. ft.	\$50
5,001 - 25,000 sq. ft	\$100
25,001 - 50,000 sq. ft.	\$150
50,001 - 75,000 sq. ft.	\$200
75,001 - 100,000 sq. ft	\$250
- Additional Revenue: \$16,800



## Food Service Licenses

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- Current Fee for 11-30 employees: \$100
- Cost to Provide Service: \$124.70
- Proposed Fee: \$125
- Additional Revenue: \$2,500
  
- Current Fee for 31+ employees: \$125
- Cost to Provide Service: \$299.25
- Proposed Fee: \$300
- Additional Revenue \$1,400

## Food Related Permits

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- Current Fee for Temporary Food Service License – For Profit: \$30
- Cost to Provide Service: \$57.23
- Proposed Fee: \$50
- Additional Revenue: \$240
  
- Current Fee for Special Promotions: \$30
- Cost to Provide Service: \$76.77
- Proposed Fee: \$75
- Additional Revenue: \$2,500

## Plat Fees and Zoning Verification Letters

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- Current Fee for Plats: \$75 + \$5.00 per lot
- Cost to Provide Service: \$317.88
- Proposed Fee: \$300
- Additional Revenue \$1,500

### *New Fee*

- Current Fee for Zoning Verification Letters: \$0
- Cost to Provide Service: \$24.92
- Proposed Fee: \$30
- Additional Revenue: \$750



**Council Agenda Item: #R12****SUMMARY:**

Staff requests approval of four ordinances amending Development Fees:

- Chapter 67, Article IV, Section 67.20 – Restaurant/Retail Promotional Fee
- Chapter 46, Article II, Section 46.32 – Food Service License Fees
- Appendix B, Section IX.A – Plat Fees
- Chapter 18, Article XXVI, Section 18.53 – Certificate of Occupancy Fee and Chapter 18, Article I, Section 18.2 – Zoning Verification Letter Fee, Zoning Fee, Special Use Permit Fee and Variance Fee

These four ordinances will be listed as four separate agenda items since they each require Council action, but will be presented and discussed as one item.

**FINANCIAL IMPACT:**

Additional revenue generated from these proposed ordinances is projected to be \$25,690. This increase in revenue is reflected in the FY05-06 Budget.

**BACKGROUND:**

During the development of the FY05-06 budget, staff from Development Services and Financial and Strategic Services met to review the current fee structure for Development Services and to identify any changes needed to this fee structure. As a part of this review, we examined the fee structure of other cities in the area. Addison's development fees were found to be less than or comparable to other communities in the Metroplex.

Development Services fees serve three main purposes:

- Cover operational costs for inspecting these services for buildings and food safety codes
- Help control behavior by placing a monetary impact on particular activities
- Do not place Addison at a competitive disadvantage when competing for new businesses by having a fee structure that is comparable or less than other cities in the area

During this examination, staff reviewed what it actually cost to provide these services (staff time, supplies, etc.) Many of the current fees are not recovering the costs to provide these services. For example, the cost for staff to review and issue a permit for special promotions is currently \$30.00. Staff estimates that it costs \$76.77 to provide this service, therefore a fee of \$75.00 is recommended.

Attached are PowerPoint slides which illustrate the recommended fee increases, including information related to the current fee, cost to provide services, proposed fee

and additional revenue. In addition, staff is recommending one new fee – zoning verification letter. A zoning verification letter is requested often by non-residents to provide documentation of the zoning of a particular property. This fee is charged by a majority of cities in Dallas County.

A new fee structure for the Certificate of Occupancy permit is also being proposed. Staff recommends creating a fee structure based on the square footage of the building as opposed to current fee structure which charges the same fee regardless of the size of the building. Because larger buildings require additional staff time to inspect, a fee structure based upon size of the building would be more fair and equitable to these businesses.

Fees related to zoning, special use permit and variances are also listed in these proposed ordinances. These fees are currently being charged and no change is recommended, but they are currently not listed in the Code of Ordinances. Staff wishes to list these fees in the Code of Ordinances to ensure uniformity in Development Services fees.

**RECOMMENDATION:**

Staff recommends approval of the attached ordinances.



## TOWN OF ADDISON, TEXAS

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING CHAPTER 46 (HEALTH AND SANITATION), ARTICLE II (FOOD) OF THE CODE OF ORDINANCES OF THE CITY BY AMENDING SECTION 46-32 BY INCREASING CERTAIN FEES IN CONNECTION WITH A FOOD SERVICE PERMIT APPLICATION; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:**

**Section 1. Amendment.** Chapter 46 (Health and Sanitation), Article II (Food) of the Code of Ordinances (the "Code") of the Town of Addison, Texas is hereby amended in the following particulars, and all other chapters, articles, section, subsections, paragraphs and words are not amended but are ratified and confirmed.

A. Subsection (b)(4) of Section 46-32, Article II of the Code regarding a food service permit application fee is hereby amended to read as follows (additions are underlined, deletions are ~~struck through~~)

(b)(4). The application shall be accompanied by a non-refundable permit fee in the following amounts:

Establishments where only pre-packaged foods are sold	\$60.00
Temporary Food Service Establishments:	
For Profit	<del>\$30.00</del> <u>\$50.00</u>
Nonprofit	\$10.00
All other Food Service Establishments (based on the number of employees):	
1-10 employees	\$75.00
11-30 employees	<del>\$100.00</del> <u>\$125.00</u>
30+ employees	<del>\$125.00</del> <u>\$300.00</u>

**Section 2. Effective Date of Increase.** The changes in the fees are set forth in Section 1 above shall be effective as of October 1, 2005.

**Section 3. Savings.** This Ordinance shall be cumulative of all other ordinances of the City and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those Ordinances are in direct conflict with the provisions of this Ordinance.

OFFICE OF THE CITY SECRETARY

ORDINANCE NO. \_\_\_\_\_

**Section 4. Severability.** The sections, paragraphs, sentences, phrases, clauses and words of this Ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, and the City Council hereby declares that it would have passed such remaining portion of this Ordinance despite such invalidity, which remaining portion shall remain in full force and effect.

**Section 5. Effective Date.** This Ordinance shall become effective from and after its date of passage and publication as provided by law.

**PASSED AND APPROVED** by the City Council of the Town of Addison, Texas this \_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Joe Chow, Mayor

ATTEST:

By: \_\_\_\_\_  
Carmen Moran, City Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Ken Dippel, City Attorney



## Development Services Fees

Recommended Fee Increases  
August 2005

## Certificate of Occupancy

- Current Fee: \$50.00 (regardless of size)
- Cost to Provide Service: \$52.52 for a 5,000 square foot building
- Proposed Fee:

0 - 5,000 sq. ft.	\$50
5,001 - 25,000 sq. ft	\$100
25,001 - 50,000 sq. ft.	\$150
50,001 - 75,000 sq. ft.	\$200
75,001 - 100,000 sq. ft	\$250
- Additional Revenue: \$16,800

## Food Service Licenses

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- Current Fee for 11-30 employees: \$100
- Cost to Provide Service: \$124.70
- Proposed Fee: \$125
- Additional Revenue: \$2,500
  
- Current Fee for 31+ employees: \$125
- Cost to Provide Service: \$299.25
- Proposed Fee: \$300
- Additional Revenue \$1,400

## Food Related Permits

---

- Current Fee for Temporary Food Service License – For Profit: \$30
- Cost to Provide Service: \$57.23
- Proposed Fee: \$50
- Additional Revenue: \$240
  
- Current Fee for Special Promotions: \$30
- Cost to Provide Service: \$76.77
- Proposed Fee: \$75
- Additional Revenue: \$2,500



## Plat Fees and Zoning Verification Letters

---

- Current Fee for Plats: \$75 + \$5.00 per lot
- Cost to Provide Service: \$317.88
- Proposed Fee: \$300
- Additional Revenue \$1,500

### *New Fee*

- Current Fee for Zoning Verification Letters: \$0
- Cost to Provide Service: \$24.92
- Proposed Fee: \$30
- Additional Revenue: \$750

**Council Agenda Item: #R13****SUMMARY:**

Staff requests approval of four ordinances amending Development Fees:

- Chapter 67, Article IV, Section 67.20 – Restaurant/Retail Promotional Fee
- Chapter 46, Article II, Section 46.32 – Food Service License Fees
- Appendix B, Section IX.A – Plat Fees
- Chapter 18, Article XXVI, Section 18.53 – Certificate of Occupancy Fee and Chapter 18, Article I, Section 18.2 – Zoning Verification Letter Fee, Zoning Fee, Special Use Permit Fee and Variance Fee

These four ordinances will be listed as four separate agenda items since they each require Council action, but will be presented and discussed as one item.

**FINANCIAL IMPACT:**

Additional revenue generated from these proposed ordinances is projected to be \$25,690. This increase in revenue is reflected in the FY05-06 Budget.

**BACKGROUND:**

During the development of the FY05-06 budget, staff from Development Services and Financial and Strategic Services met to review the current fee structure for Development Services and to identify any changes needed to this fee structure. As a part of this review, we examined the fee structure of other cities in the area. Addison's development fees were found to be less than or comparable to other communities in the Metroplex.

Development Services fees serve three main purposes:

- Cover operational costs for inspecting these services for buildings and food safety codes
- Help control behavior by placing a monetary impact on particular activities
- Do not place Addison at a competitive disadvantage when competing for new businesses by having a fee structure that is comparable or less than other cities in the area

During this examination, staff reviewed what it actually cost to provide these services (staff time, supplies, etc.) Many of the current fees are not recovering the costs to provide these services. For example, the cost for staff to review and issue a permit for special promotions is currently \$30.00. Staff estimates that it costs \$76.77 to provide this service, therefore a fee of \$75.00 is recommended.

Attached are PowerPoint slides which illustrate the recommended fee increases, including information related to the current fee, cost to provide services, proposed fee



and additional revenue. In addition, staff is recommending one new fee – zoning verification letter. A zoning verification letter is requested often by non-residents to provide documentation of the zoning of a particular property. This fee is charged by a majority of cities in Dallas County.

A new fee structure for the Certificate of Occupancy permit is also being proposed. Staff recommends creating a fee structure based on the square footage of the building as opposed to current fee structure which charges the same fee regardless of the size of the building. Because larger buildings require additional staff time to inspect, a fee structure based upon size of the building would be more fair and equitable to these businesses.

Fees related to zoning, special use permit and variances are also listed in these proposed ordinances. These fees are currently being charged and no change is recommended, but they are currently not listed in the Code of Ordinances. Staff wishes to list these fees in the Code of Ordinances to ensure uniformity in Development Services fees.

**RECOMMENDATION:**

Staff recommends approval of the attached ordinances.

## TOWN OF ADDISON, TEXAS

## ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING APPENDIX B (SUBDIVISIONS) OF THE CODE OF ORDINANCES OF THE CITY BY AMENDING SECTION IX-A THEREOF BY MODIFYING THE FEE IN CONNECTION WITH THE FILING AND PROCESSING OF A PRELIMINARY AND FINAL PLAT; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

**Section 1. Amendment.** Appendix B (Subdivisions) of the Code of Ordinances (the "Code") of the Town of Addison, Texas is hereby amended in the following particulars, and all other chapters, articles, section, subsections, paragraphs and words are not amended but are ratified and confirmed.

A. Section IX-A of Appendix B of the Code is amended to read as follows:

Section IX-A Fee for subdivision or plat- Generally

All owners, lessees or other persons who shall file a subdivision or plat for review by the Town of Addison shall be charged a mandatory fee for processing such subdivision or plat as follows:

Residential

Preliminary: ~~\$75.00 plus \$5.00 per lot as shown on such subdivision or plat~~ \$300.00

Final: ~~\$75.00 plus \$5.00 per lot as shown on such subdivision or plat~~ \$300.00

Industrial, Commercial, Apartment or Other

Preliminary: ~~\$75.00 plus \$5.00 per acre~~ \$300.00

Final: ~~\$75.00 plus \$5.00 per acre~~ \$300.00

**Section 2. Effective Date of Increase.** The changes in the fees are set forth in Section 1 above shall be effective as of October 1, 2005.

**Section 3. Savings.** This Ordinance shall be cumulative of all other ordinances of the City and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those Ordinances are in direct conflict with the provisions of this Ordinance.

**Section 4. Severability.** The sections, paragraphs, sentences, phrases, clauses and words of this Ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this Ordinance or application thereof to any person or circumstance is held invalid or



unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, and the City Council hereby declares that it would have passed such remaining portion of this Ordinance despite such invalidity, which remaining portion shall remain in full force and effect.

**Section 5. Effective Date.** This Ordinance shall become effective from and after its date of passage and publication as provided by law.

**PASSED AND APPROVED** by the City Council of the Town of Addison, Texas this \_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Joe Chow, Mayor

ATTEST:

By: \_\_\_\_\_  
Carmen Moran, City Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Ken Dippel, City Attorney

## Development Services Fees

Recommended Fee Increases  
August 2005

### Certificate of Occupancy

- Current Fee: \$50.00 (regardless of size)
- Cost to Provide Service: \$52.52 for a 5,000 square foot building
- Proposed Fee:

0 - 5,000 sq. ft.	\$50
5,001 - 25,000 sq. ft	\$100
25,001 - 50,000 sq. ft.	\$150
50,001 - 75,000 sq. ft.	\$200
75,001 - 100,000 sq. ft	\$250
- Additional Revenue: \$16,800



## Food Service Licenses

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- Current Fee for 11-30 employees: \$100
- Cost to Provide Service: \$124.70
- Proposed Fee: \$125
- Additional Revenue: \$2,500
  
- Current Fee for 31+ employees: \$125
- Cost to Provide Service: \$299.25
- Proposed Fee: \$300
- Additional Revenue \$1,400

## Food Related Permits

---

- Current Fee for Temporary Food Service License – For Profit: \$30
- Cost to Provide Service: \$57.23
- Proposed Fee: \$50
- Additional Revenue: \$240
  
- Current Fee for Special Promotions: \$30
- Cost to Provide Service: \$76.77
- Proposed Fee: \$75
- Additional Revenue: \$2,500

## Plat Fees and Zoning Verification Letters

---

- Current Fee for Plats: \$75 + \$5.00 per lot
- Cost to Provide Service: \$317.88
- Proposed Fee: \$300
- Additional Revenue \$1,500

### *New Fee*

- Current Fee for Zoning Verification Letters: \$0
- Cost to Provide Service: \$24.92
- Proposed Fee: \$30
- Additional Revenue: \$750



**Council Agenda Item: #R14****SUMMARY:**

Staff requests approval of four ordinances amending Development Fees:

- Chapter 67, Article IV, Section 67.20 – Restaurant/Retail Promotional Fee
- Chapter 46, Article II, Section 46.32 – Food Service License Fees
- Appendix B, Section IX.A – Plat Fees
- Chapter 18, Article XXVI, Section 18.53 – Certificate of Occupancy Fee and Chapter 18, Article I, Section 18.2 – Zoning Verification Letter Fee, Zoning Fee, Special Use Permit Fee and Variance Fee

These four ordinances will be listed as four separate agenda items since they each require Council action, but will be presented and discussed as one item.

**FINANCIAL IMPACT:**

Additional revenue generated from these proposed ordinances is projected to be \$25,690. This increase in revenue is reflected in the FY05-06 Budget.

**BACKGROUND:**

During the development of the FY05-06 budget, staff from Development Services and Financial and Strategic Services met to review the current fee structure for Development Services and to identify any changes needed to this fee structure. As a part of this review, we examined the fee structure of other cities in the area. Addison's development fees were found to be less than or comparable to other communities in the Metroplex.

Development Services fees serve three main purposes:

- Cover operational costs for inspecting these services for buildings and food safety codes
- Help control behavior by placing a monetary impact on particular activities
- Do not place Addison at a competitive disadvantage when competing for new businesses by having a fee structure that is comparable or less than other cities in the area

During this examination, staff reviewed what it actually cost to provide these services (staff time, supplies, etc.) Many of the current fees are not recovering the costs to provide these services. For example, the cost for staff to review and issue a permit for special promotions is currently \$30.00. Staff estimates that it costs \$76.77 to provide this service, therefore a fee of \$75.00 is recommended.

Attached are PowerPoint slides which illustrate the recommended fee increases, including information related to the current fee, cost to provide services, proposed fee

and additional revenue. In addition, staff is recommending one new fee – zoning verification letter. A zoning verification letter is requested often by non-residents to provide documentation of the zoning of a particular property. This fee is charged by a majority of cities in Dallas County.

A new fee structure for the Certificate of Occupancy permit is also being proposed. Staff recommends creating a fee structure based on the square footage of the building as opposed to current fee structure which charges the same fee regardless of the size of the building. Because larger buildings require additional staff time to inspect, a fee structure based upon size of the building would be more fair and equitable to these businesses.

Fees related to zoning, special use permit and variances are also listed in these proposed ordinances. These fees are currently being charged and no change is recommended, but they are currently not listed in the Code of Ordinances. Staff wishes to list these fees in the Code of Ordinances to ensure uniformity in Development Services fees.

**RECOMMENDATION:**

Staff recommends approval of the attached ordinances.



## TOWN OF ADDISON, TEXAS

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING CHAPTER 18 (BUILDING AND BUILDING REGULATIONS) BY AMENDING SECTION 18-2, SUBCONTRACTORS AND MISCELLANEOUS PERMIT FEE SCHEDULE BY ADDING THERETO A FEE FOR A ZONING VERIFICATION LETTER, AND BY AMENDING THE FEET SET FORTH IN THE INTERNATIONAL BUILDING CODE FOR THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY ARTICLE XXVI (PERMITS AND CERTIFICATES) OF THE CODE OF ORDINANCES BY AMENDING SECTION 18.53 AND AMENDING ARTICLE I (IN GENERAL), SECTION 18.2 OF THE CODE OF ORDINANCES; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

**Section 1. Amendment.** Chapter 18 (Building and Building Regulations), Article XXVI (Permits and Certificates), Section 18.53, Subsection 110.7 of the Code of Ordinances (the "Code") of the Town of Addison, Texas is hereby amended in the following particulars, and all other chapters, articles, section, subsections, paragraphs and words are not amended but are ratified and confirmed.

- A. Section 18-2 (Subcontractor's and miscellaneous permit fee schedule of Article I (In General) of the Code is amended to read as follows:

The subcontractor's and miscellaneous permit fee schedule shall be as follows:

"Subcontractor's work" shall mean the various types of work listed in the table below which are done in previously completed building(s) and when not done as par of the work allowed under a combined permit

Type of Work	Fee
Electrical Work	Table 1-A
Plumbing Work	Table 1-A
Mechanical Work	Table 1-A
Irrigation Sprinkler System	Table 1-A
Demotion	\$100.00
<u>Zoning Verification Letter</u>	<u>\$30.00</u>
<u>Zoning Fee – Less than one acre</u>	<u>\$150.00</u>
<u>Zoning Fee – One acre, but less than 5 acres</u>	<u>\$300.00</u>
<u>Zoning Fee – Five acres or more</u>	<u>\$500.00</u>
<u>Special Use Permit Fee</u>	<u>\$425.00</u>

OFFICE OF THE CITY SECRETARY

ORDINANCE NO. \_\_\_\_\_

<u>Variance Fee</u>	<u>\$50.00</u>
Note: If ordered by the town to demolish a building, there is no fee charged	

- B. Section 18-53 (Certificate of occupancy) of Article II (Building Code) of the Code amends Section 110 of the International Building Code, the amendment to Section 110.7 (Fee) of the International Building Code as set forth in Section 18-53 is amended to read as follows:

~~110.7 Fee. There will be a \$50.00 fee for each certificate of occupancy. The fee for each certificate of occupancy will be in the following amounts:~~

<u>Number of Square Feet In a Building</u>	<u>Certificate of Occupancy Fee</u>
<u>0-5,000 square feet</u>	<u>\$50.00</u>
<u>5,001- 25,000 square feet</u>	<u>\$100.00</u>
<u>25,001 – 50,000 square feet</u>	<u>\$150.00</u>
<u>50,001 – 75,000 square feet</u>	<u>\$200.00</u>
<u>75,001 – 100,000 square feet</u>	<u>\$250.00</u>
<u>100,001 – 125,000 square feet</u>	<u>\$300.00</u>
<u>125,001 – 150,000 square feet</u>	<u>\$350.00</u>
<u>150,001 – 175,000 square feet</u>	<u>\$400.00</u>
<u>175,001 – 200,000 square feet</u>	<u>\$450.00</u>
<u>200,001 – 225,000 square feet</u>	<u>\$500.00</u>
<u>225,001 – 250,000 square feet</u>	<u>\$550.00</u>
<u>250,001 – 275,000 square feet</u>	<u>\$600.00</u>
<u>275,001 – 300,000 square feet</u>	<u>\$650.00</u>
<u>300,001 – 325,000 square feet</u>	<u>\$700.00</u>
<u>325,001 – 350,000 square feet</u>	<u>\$750.00</u>
<u>350,001 – 375,000 square feet</u>	<u>\$800.00</u>
<u>375,001 – 400,000 square feet</u>	<u>\$850.00</u>
<u>400,001 – 425,000 square feet</u>	<u>\$900.00</u>
<u>425,001 – 450,000 square feet</u>	<u>\$950.00</u>
<u>450,001 – 475,000 square feet</u>	<u>\$1,000.00</u>
<u>475,001 – 500,000 square feet</u>	<u>\$1,050.00</u>
<u>Over 500,000 square feet</u>	<u>\$1,100.00</u>

**Section 2. Effective Date of Increase.** The change in the fee as set forth in Section 1 above shall be effective as October 1, 2005.

**Section 3. Savings.** This Ordinance shall be cumulative of all other ordinances of the City and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those Ordinances are in direct conflict with the provisions of this Ordinance.



**Section 4. Severability.** The sections, paragraphs, sentences, phrases, clauses and words of this Ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, and the City Council hereby declares that it would have passed such remaining portion of this Ordinance despite such invalidity, which remaining portion shall remain in full force and effect.

**Section 6. Effective Date.** This Ordinance shall become effective from and after its date of passage and publication as provided by law.

**PASSED AND APPROVED** by the City Council of the Town of Addison, Texas this \_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Joe Chow, Mayor

ATTEST:

By: \_\_\_\_\_  
Carmen Moran, City Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Ken Dippel, City Attorney

## Development Services Fees

Recommended Fee Increases  
August 2005

## Certificate of Occupancy

- Current Fee: \$50.00 (regardless of size)
- Cost to Provide Service: \$52.52 for a 5,000 square foot building
- Proposed Fee:

0 - 5,000 sq. ft.	\$50
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25,001 - 50,000 sq. ft.	\$150
50,001 - 75,000 sq. ft.	\$200
75,001 - 100,000 sq. ft	\$250
- Additional Revenue: \$16,800



## Food Service Licenses

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- Current Fee for 11-30 employees: \$100
- Cost to Provide Service: \$124.70
- Proposed Fee: \$125
- Additional Revenue: \$2,500
  
- Current Fee for 31+ employees: \$125
- Cost to Provide Service: \$299.25
- Proposed Fee: \$300
- Additional Revenue \$1,400

## Food Related Permits

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- Current Fee for Temporary Food Service License – For Profit: \$30
- Cost to Provide Service: \$57.23
- Proposed Fee: \$50
- Additional Revenue: \$240
  
- Current Fee for Special Promotions: \$30
- Cost to Provide Service: \$76.77
- Proposed Fee: \$75
- Additional Revenue: \$2,500

## Plat Fees and Zoning Verification Letters

---

- Current Fee for Plats: \$75 + \$5.00 per lot
- Cost to Provide Service: \$317.88
- Proposed Fee: \$300
- Additional Revenue \$1,500

### *New Fee*

- Current Fee for Zoning Verification Letters: \$0
- Cost to Provide Service: \$24.92
- Proposed Fee: \$30
- Additional Revenue: \$750



**Council Agenda Item: #R15**

**SUMMARY:**

This item is to amend the Code of Ordinance of the City by amending Chapter 66 (Solid Waste) Article II (Collection And Disposal) by amending Section 66-52 removing the reference to the \$0.10 landfill surcharge, and by increasing from \$9.55 to \$9.89 the monthly fee for single family residential garbage and recycling collection.

**FINANCIAL IMPACT:**

The Town of Addison passes residential sanitation fees through to single-family residents with their utility bill. The 2005-06 budget anticipates receiving \$183,000 in revenue to offset the \$183,000 included in the Street department budget.

**BACKGROUND:**

The Town has a five-year contract with Waste Management to provide residential garbage and recycling collection to all single-family homes. This contract started October 1, 2000 and automatically renews for additional five-year periods if neither party requests termination.

Our contract rate adjusts up or down each year based on the Producer Price Index (PPI). This increase or reduction, tied to the PPI, has proven to be a fair method of establishing the collection rate while eliminating the need for the Town Council to hear an annual rate increase request.

The Town Finance Department informs the Public Works Department what the PPI should be. If Waste Management concurs, they're free to request a rate increase. In the event of a decrease in the PPI, the Town would request a rate reduction. Last year the PPI was up 3% but WM neglected to request the increase, so none was granted.

The current PPI increased by 3.6%. See the attached letter from WM requesting this increase. A 3.6% increase will raise the monthly garbage/recycling rate from its current \$9.55 per home, per month, to \$9.89. This increase will take effect October 1, 2005 and be reflected on the November water bill.

The \$0.10 landfill surcharge was eliminated several years ago. This Ordinance amendment merely takes opportunity to strike the reference.

**RECOMMENDATION:**

Staff recommends passage of this amendment increasing the residential garbage/recycling collection rate to \$9.89, and eliminating reference to the \$0.10 landfill surcharge.



**WASTE MANAGEMENT**

1600 C South Railroad  
PO Box 276  
Lewisville, TX 75067  
(972) 316-2205  
(972) 459-1691 Fax

August 22, 2005

Mr. Robin Jones  
Town of Addison  
16801 Westgrove  
Addison, Texas 75001

Dear Robin:

Waste Management values its relationship with the Town of Addison, and will continue to provide you with an outstanding combination of pricing, service, and community support.

As you know, our contract provides for annual adjustment of prices based upon the Producer Price Index (PPI). Your Finance Department staff has advised of an upward change of 3.6% over the past twelve months. We concur with this assessment, and therefore, are sending this notice of a change in the residential rates. Effective October 1, 2005, the rate will increase from \$9.55 per home, per month to \$9.89 per home, per month. We ask that the Town make this adjustment with the utility bills that will be mailed in September of 2005.

We thank you for your continued confidence in Waste Management, and please contact me if we can be of service in the future.

Sincerely,

A handwritten signature in dark ink, appearing to read 'John L. Klaiber'. The signature is fluid and cursive, with the first name 'John' being more prominent.

John L. Klaiber  
Manager – Public Sector Services



## TOWN OF ADDISON, TEXAS

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING THE CODE OF ORDINANCES OF THE CITY BY AMENDING CHAPTER 66 (SOLID WASTE), ARTICLE II (COLLECTION AND DISPOSAL) BY AMENDING SECTION 66-52 THEREOF BY REMOVING THE REFERENCE TO THE \$0.10 LANDFILL SURCHARGE, AND BY INCREASING THE MANDATORY MONTHLY FEE FOR GARBAGE COLLECTION, HAULING AND DISPOSAL (CURBSIDE PICKUP) FROM EACH SINGLE DWELLING UNIT WITHIN THE CITY FROM \$9.55 TO \$9.89; PROVIDING THAT SUCH INCREASED RATE SHALL TAKE EFFECT ON OCTOBER 1, 2005; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

**Section 1. Amendment.** Chapter 66 (Solid Waste), Article II (Collection and Disposal) of the Code of Ordinances (the "Code") of the Town of Addison, Texas (the "City") is hereby amended as set forth below, and all other chapters, articles, sections, subsections, paragraphs, sentences, phrases and words of the Code are not amended but are hereby ratified and affirmed.

A. Section 66-52 (Single dwelling units) of Chapter 66, Article II of the Code is hereby amended to read as follows (additions are underlined, deletions are ~~struck through~~):

All owners, lessees or persons in possession or residential property shall be charged a mandatory monthly fee for garbage collection, hauling and disposal from residences situated within the corporate limits of the town as follows:

Curbside pickup for each single dwelling unit ~~including a \$0.10 landfill surcharge~~, exclusive of sales tax and applicable state fees . . . \$9.89~~\$9.55~~.

**Section 2. Effective Date of Increase.** The change in the mandatory monthly fee for garbage collection, hauling and disposal from residences as set forth in Section 1 above shall be effective as of October 1, 2005.

**Section 3. Savings.** This Ordinance shall be cumulative of all other ordinances of the City and shall not repeal any of the provisions of those ordinances except in those instances

where the provisions of those Ordinances are in direct conflict with the provisions of this Ordinance.

**Section 4. Severability.** The sections, paragraphs, sentences, phrases, clauses and words of this Ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, and the City Council hereby declares that it would have passed such remaining portion of this Ordinance despite such invalidity, which remaining portion shall remain in full force and effect.

**Section 5. Effective Date.** This Ordinance shall become effective from and after its date of passage and publication as provided by law.

**PASSED AND APPROVED** by the City Council of the Town of Addison, Texas this \_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Joe Chow, Mayor

ATTEST:

By: \_\_\_\_\_  
Carmen Moran, City Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Ken Dippel, City Attorney



**Council Agenda Item: #R16****SUMMARY:**

Staff requests approval of an ordinance amending Solid Waste, Chapter 66, Ordinance II, Section 53 of the Code of Ordinances regarding the requirement for a solid waste collection permit.

**FINANCIAL IMPACT:**

Staff anticipates the financial impact of the adoption of this ordinance to produce revenues of \$80,000 for the 2005-2006 fiscal year. The cost for administering the fee is expected to be negligible.

**BACKGROUND:**

This ordinance was modeled after the City of Farmers Branch's solid waste collection permit ordinance. In FY 2004, Farmers Branch received \$140,719 in revenue from the solid waste collection fee. Other area cities currently utilizing a solid waste collection fee include Carrollton, Irving, Plano, and Allen. The rationale for charging a fee for commercial solid waste collection is to help recover some of the costs associated with wear and tear on public streets and thoroughfares that results from such activity.

The fee has been considered in the development of FY 2005-06 Budget and anticipated revenue from the fee of \$80,000 has been included in the City Manager's recommended budget. The Town's Financial and Strategic Services department will administer the fee. Solid waste collection providers utilizing public streets and thoroughfares within the Town will be required to obtain an annual permit with a fee of \$50.00. In addition, collection providers will be required to submit a quarterly report and a quarterly fee equal to 5% of gross receipts on all revenues and income derived from collection activity within the Town limits.

The Financial and Strategic Services department will review each permit holder's quarterly report to ensure the fee submitted is correct. The ordinance will allow the department to inspect the books and records of the permit holder for accordance with the ordinance. Collection providers will be notified by letter of the new solid waste collection permit and fee requirements.

**RECOMMENDATION:**

Staff recommends approval of the attached ordinance. Letters notifying collection providers serving the Addison area of the proposed ordinance have been sent. To date, no questions or objections have been received.

**TOWN OF ADDISON, TEXAS****ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING CHAPTER 66 (SOLID WASTE) OF THE CODE OF ORDINANCES OF THE CITY BY ADDING A NEW DIVISION 3 TO ARTICLE II. THEREOF AND REQUIRING A PERMIT TO USE THE PUBLIC STREETS, HIGHWAYS, OR THOROUGHFARES OF THE CITY FOR THE PURPOSES OF ENGAGING IN THE BUSINESS OF COLLECTING GARBAGE, SOLID WASTE, TRASH, AND RECYCLABLE MATERIALS FROM COMMERCIAL AND INDUSTRIAL PREMISES WITHIN THE CITY; PROVIDING FOR A PERMIT FEE AND PROVISIONS REGARDING THE LATE PAYMENT THEREOF; PROVIDING FOR THE REVOCATION OF A PERMIT; PROVIDING FOR A PENALTY OF A FINE NOT TO EXCEED \$500.00; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Addison, Texas ("City") is a home rule municipality pursuant to Article 11, Section 5 of the Texas Constitution, State law, and its Home Rule Charter; and

**WHEREAS**, the City has exclusive control over and under the highways, streets, and alleys of the City, as set forth in Section 311.001, Tex. Transp. Code; and

**WHEREAS**, the City is authorized to license, fix the charges or fares made by, or otherwise regulate any person who owns, operates, or controls any type of vehicle used on the public streets or alleys of the City for carrying freight, as set forth in Section 215.073, Tex. Loc. Gov. Code; and

**WHEREAS**, the City is authorized to adopt rules to protect the health of persons in the City pursuant to Section 122.006, Tex. Loc. Gov. Code and to enforce ordinances necessary to protect health of the inhabitants of the City pursuant to Section 54.004 of the Local Government Code; and

**WHEREAS**, the City is authorized by Section 215.075, Tex. Loc. Gov. Code to license any lawful business or occupation that is subject to the police power of the City; and

**WHEREAS**, the City is authorized pursuant to Sections 362.014, 363.003(12), 363.116 and 364.031, Tex. Health & Safety Code, to contract with any person for the collection or transportation of solid waste; and

**WHEREAS**, the City is authorized to require a permit for the use of public streets, highways, and thoroughfares in the City for the purpose of engaging in the business of collecting garbage, solid waste, trash, and recyclable materials from commercial and industrial premises within the City, and



**WHEREAS**, the City has determined that haulers of garbage, solid waste, trash, and recyclable materials cause an increase in damage to public streets, highways, and thoroughfares in the Town; and

**WHEREAS**, the City Council desires to institute a permit requirement for the use of public streets, highways, and thoroughfares in the City for the purpose of engaging in the business of collecting garbage, solid waste, trash, and recyclable materials from commercial and industrial premises within the City; and

**WHEREAS**, the adoption of this Ordinance is in the best interests of the citizens of the City and serves to protect the health, safety, and welfare of its citizens.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:**

**Section 1. Incorporation of Premises.** The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

**Section 2. Amendment.** Chapter 66 (Solid Waste) of the Code of Ordinances of the Town of Addison, Texas is hereby amended in the following particulars, and all other chapters, articles, section, subsections, paragraphs and words are not amended but are ratified and confirmed.

A. A new Division 3 shall be and is hereby added to Article II. of the said Chapter 66 to read as follows:

### **DIVISION 3. COMMERCIAL SOLID WASTE COLLECTION**

#### **Section 66-61. Permit for Commercial Collection Required.**

No person, firm, corporation, or other entity, excluding the Town, may use the public streets, alleys, or thoroughfares within the corporate limits of the Town for the purpose of engaging in the business of collecting or transporting garbage, solid waste, trash, or recyclable materials from commercial and industrial premises within the Town without first having obtained a solid waste collection permit from the Town.

#### **Section 66-62. Application for Permit; Expiration.**

(1) To obtain a solid waste collection permit, a person must submit an application on a form provided by the Director of Finance or the Director's designee. The applicant must be the person who will own, control, or operate the proposed collection service.

(2) The permit application shall include the following information:

- a. Applicant's name, address, and verified signature; and
  - b. The form of business of the applicant, and, if the business is a corporation or association or other form of business entity, evidence of the authority of the person signing the application to represent the business.
  - c. A certificate of insurance showing current commercial general liability and motor vehicle liability insurance coverage for the applicant.
- (3) Application for the permit shall be accompanied by a \$50.00 non-refundable processing fee.
- (4) The collection permit expires October 1 of each year, and may be renewed by making application as provided in this section.

#### **Section 66-63. Fees.**

- (1) The annual fee for the solid waste collection permit is an amount equal to five percent (5%) of the gross receipts on all revenues and income collected from any source derived from the operation of the collection of garbage, solid waste, trash, or recyclable materials from commercial or industrial premises within the corporate limits of the Town.
- (2) The permit holder shall remit the annual fee on a quarterly calendar basis to the Town's Finance Department, on or before the 30<sup>th</sup> day of January, April, July, and October, based upon the revenues collected during the immediately previous calendar quarter.
- (3) The quarterly payment shall be accompanied by an income statement certified by the permit holder acknowledging compliance with this section.
- (4) Fee payments received after the due date shall be subject to interest at the rate of ten percent (10%) per annum until the fees are paid in full. In addition, delinquent fees shall be subject to a late payment penalty of five percent (5%) for each month or portion thereof that the fees are outstanding. In no event, however, shall the penalties exceed twenty-five percent (25%) of the total delinquent fees nor shall interest charged or penalty assessed exceed the maximum rate allowed by law.

#### **Section 66-64. Requirement to Furnish Information.**

The books and records of the permit holder shall be open at reasonable times for inspection by the Director of Finance or the Director's designee in accordance with the terms of this Division.



**Section 66-65. Revocation of Permit.**

The Director of Finance or the Director's designee may revoke a collection permit for the failure of the holder to provide required information, failure to pay fees, or for making false statements on the permit application or any quarterly report.

**Section 3. Penalty.** That a violation of any provision of this Ordinance shall be a misdemeanor, and upon conviction in Municipal Court shall be subject to a fine not to exceed Five Hundred Dollars (\$500.00) for each offense.

**Section 4. Savings.** This Ordinance shall be cumulative of all other ordinances of the City and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those Ordinances are in direct conflict with the provisions of this Ordinance.

**Section 4. Severability.** The sections, paragraphs, sentences, phrases, clauses and words of this Ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, and the City Council hereby declares that it would have passed such remaining portion of this Ordinance despite such invalidity, which remaining portion shall remain in full force and effect.

**Section 5. Effective Date.** This Ordinance shall become effective from and after its date of passage and publication as provided by law.

**PASSED AND APPROVED** by the City Council of the Town of Addison, Texas this \_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Joe Chow, Mayor

ATTEST:

By: \_\_\_\_\_  
Carmen Moran, City Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Ken Dippel, City Attorney

**Council Agenda Item: #R17****SUMMARY:**

Consideration of an ordinance that 1) increases emergency medical service fees by \$100 for Town residents and \$150 for non-residents, and 2) assesses an additional \$5 fee per loaded transport mile related to ambulance transportation.

**FINANCIAL IMPACT:**

It is anticipated that the revised fee structure will generate an additional \$20,000 in annual revenue for the Town's general fund.

**BACKGROUND:**

The Town of Addison last adjusted our emergency medical service fees in 2001. In response to both rising costs and higher third party billing allowances, staff requests an increase in the emergency medical service fees as follows:

<u>Town of Addison Residents</u>	<u>Current</u>	<u>Proposed</u>	<u>Variance</u>
Basic Level of Service (BLS)	\$ 300	\$ 400	\$ 100
Advanced Level of Service 1(ALS1)	\$ 350	\$ 450	\$ 100
Advanced Level of Service 2(ALS 2)	\$ 475	\$ 575	\$ 100

<u>Non-Residents</u>	<u>Current</u>	<u>Proposed</u>	<u>Variance</u>
Basic Level of Service (BLS)	\$ 350	\$ 500	\$ 150
Advanced Level of Service 1(ALS1)	\$ 400	\$ 550	\$ 150
Advanced Level of Service 2(ALS 2)	\$ 525	\$ 675	\$ 150

In addition, staff proposes that the fee assessed for ambulance transportation services be increased from \$5 to \$10 per loaded transport mile.

Staff developed the above fee schedule to 1) attempt to recover the full cost of providing the service, and 2) adjust our fee schedule to a comparable level of surrounding communities. While the proposed rate structure may seem much higher than other surrounding communities at first glance, please note that many communities choose to itemize bills for medical supplies and services above their normal stated rate. After adjusting for these factors, the fee schedules for area communities are very similar to the proposed Addison rates. Further, recent changes in Medicare procedures will require other communities to cease using itemized billing effective January 1, 2005.

The proposed amendment to the code of ordinances is attached. In addition, a summary of the emergency medical service fees for the surrounding area and our ambulance transport composition has been included for your review.

**RECOMMENDATION:**



Staff recommends that Council authorize amend Chapter 38, Article III, Section 38-54 (c) of the code of ordinances to reflect the new emergency medical service fee structure.

## TOWN OF ADDISON, TEXAS

## ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS AMENDING CHAPTER 38 (FIRE PREVENTION AND PROTECTION), ARTICLE III (FIRE DEPARTMENT PREVENTION), BY AMENDING SECTION 38-54 (EMERGENCY AMBULANCE SERVICE); PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, in accordance with State law the City Council of the Town of Addison, Texas (the "City") has heretofore adopted a fee structure regarding emergency ambulance services; and

**WHEREAS**, the said fee structure is set forth in Article III, Chapter 38 of the City's Code of Ordinances; and

**WHEREAS**, the City Council has reviewed the said fee structure and desires to amend the same as set forth herein.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:**

Section 1. Incorporation of Premises. The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. Amendment. Chapter 38 (Fire Prevention and Protection) of the Code of Ordinances (the "Code") of the Town of Addison, Texas (the "City") is hereby amended in the following particulars, and all other chapters, articles, sections, subsections, paragraphs, phrases, and words are not amended but are ratified and confirmed:

A. Division 3 (Investment Policy) of Article IV (Finance) of Chapter 2 of the Code is amended in part as follows:

1. Section 38-54 (Emergency Ambulance Service) of the Code is hereby amended by amending subsections (c) thereof to read as follows:

*Fees for service:* For non-residents, the following fees shall be charged per trip, per person for transportation by ambulance to a hospital, doctor's office or other location for the provision of emergency medical aid: ~~\$350~~\$500 for basic life support service; ~~\$400~~\$550 for advanced life support service, level 1; ~~\$525~~\$675 for advanced life support service, level 2. For residents, the following fees shall be charged per trip, per person for transportation by ambulance to a hospital, doctor's office or other location for the provision of emergency medical aid: ~~\$300~~\$400 for basic life support service; ~~\$350~~\$450 for advanced life support service, level 1; ~~\$475~~\$575 for advanced life support service, level 2. In addition, a fee of ~~\$5.00~~\$10.00 per loaded transport mile will be assessed for transportation by ambulance to a hospital, doctor's office or other location for the provision of emergency medical aid. Such fees shall be paid by the person(s) receiving or



contracting for the emergency ambulance service. In the case of service received by a minor, the parent or guardian shall be responsible for payment of the fee.

Section 3. Savings. This Ordinance shall be cumulative of all other ordinances of the City affecting the City's investment policy and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those Ordinances are in direct conflict with the provisions of this Ordinance.

Section 3. Severability. The sections, paragraphs, sentences, phrases, clauses and words of this Ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance, and the City Council hereby declares that it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

Section 4. Effective Date. This Ordinance shall become effective from and after its date of passage and publication as provided by law.

**PASSED AND APPROVED** by the City Council of the Town of Addison, Texas this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

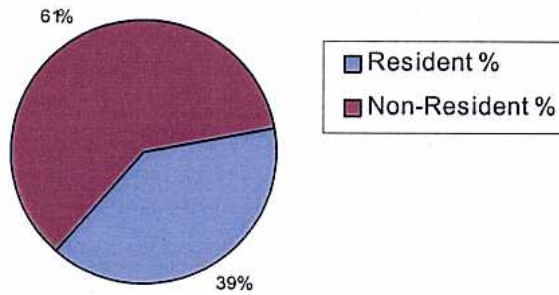
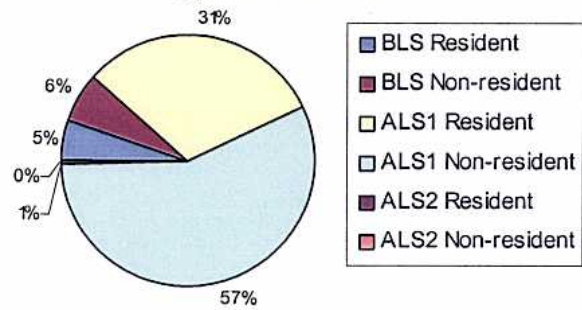
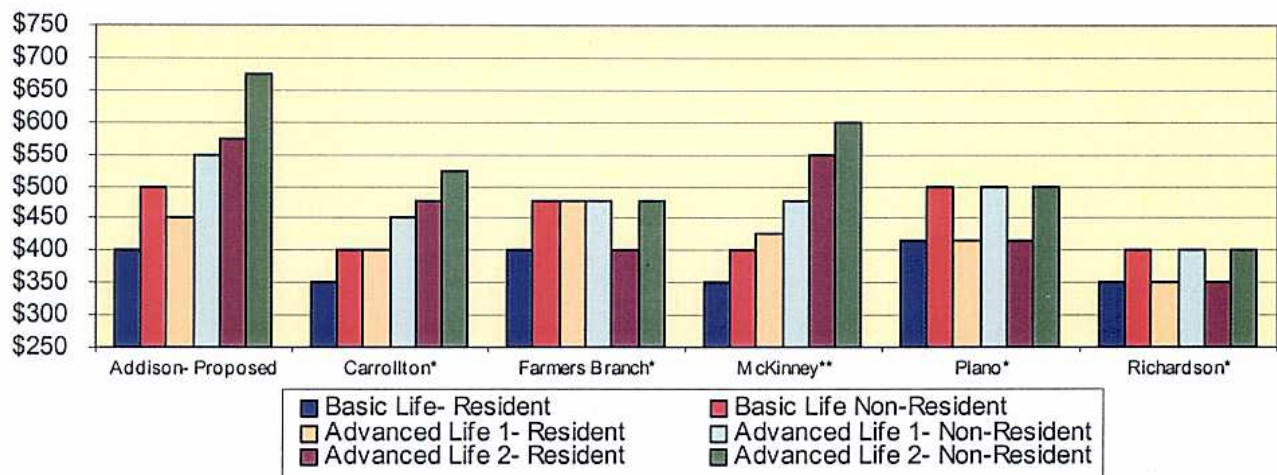
\_\_\_\_\_  
Joe Chow, Mayor

ATTEST:

By: \_\_\_\_\_  
Carmen Moran, City Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Ken Dippel, City Attorney

**Ambulance Transport Composition****Transport Composition By Type of Run- FY05 YTD****Ambulance Fee Comparisons**  
Basic and Advanced Life Support

\* Uses itemized billing for medicine and supplies. \*\*Uses itemized billing for medicines only.



**Council Agenda Item: #R18****SUMMARY:**

This item is submitted for consideration of revising the Town's policy concerning health insurance for retirees.

**FINANCIAL IMPACT:**

There will be no budget impact to the amount of insurance premium paid by the Town. The Town will benefit by reduced exposure from claims.

**BACKGROUND:**

The current policy allows all retiring employees to continue their health insurance through the Town's group plan provided the retiree will immediately begin receiving retirement benefits from TMRS. The retiree is responsible for the entire premium. This policy went into effect on October 1, 1995.

Effective May 14, 1996, Council approved a subsidy of \$150 per month toward the payment of medical insurance premiums for retirees who meet certain eligibility criteria, as follows:

- 1) be at least age 55
- 2) have at least ten years full-time employment with the Town of Addison
- 3) voluntarily retire with a satisfactory record of service
- 4) begin receiving TMRS benefits immediately upon retirement
- 5) have no coverage as the primary insured person on any other medical insurance plan

Other conditions of the policy provide that dependents included on the retiree's plan at the beginning of the plan year during which retirement occurs may remain on the plan but no new dependent coverage may be added at the time of retirement.

On November 23, 1999, Council expanded this policy by providing that employees with 25 years of Town service, regardless of age but meeting the remaining criteria, would be eligible to receive an insurance subsidy of \$150 per month. Other Council action on this date included the provision of a \$75 per month subsidy for retirees over age 65 to help defray the costs of insurance to supplement Medicare benefits.

**RECOMMENDATION:**

Staff's recommendation is to allow continuing participation in the Town's group health insurance plan only for those retirees who meet the five conditions as specified above for receiving a subsidy from the Town. Retirees who qualify will continue to receive \$150 per month toward payment of the insurance premium. The current conditions will apply for dependent coverage. It is further recommended that only those retirees who receive a subsidy toward the insurance premium, or those who retire at age 65 or older, will be eligible for the Medicare supplement.

Staff recommends that any other retirees not meeting the above specified criteria would henceforth be ineligible to remain in the Town's group health insurance plan. This includes those with 25 years of Town service who have not reached the age of 55.



## **Council Agenda Item: #R19**

### **SUMMARY:**

This item is submitted in consideration of amending the Town's current Workers' Compensation policy.

### **FINANCIAL IMPACT:**

The financial impact of revising this policy should be a reduction in costs.

### **BACKGROUND:**

Workers' compensation insurance is designed to cover the costs associated with injuries resulting from identifiable and specific accidents or injuries occurring on the job. An employee injured on the job may be eligible for workers' compensation benefits, which may cover the cost of hospitalization, doctors, treatment, prescription drugs and other related expenses to include possible partial salary continuation. All employees and volunteers of the Town are covered by workers' compensation insurance.

The Town's current policy allows for a job to be held for up to 14 additional weeks following the expiration of 12 weeks of Family and Medical Leave (FMLA). Because of exceptional circumstances, the Town has extended this time period in several instances. As well as clarifying sections of the policy, the proposed policy revision would allow for holding a position for no more than 40 weeks following the expiration of FMLA leave and would "reset the clock" for adherence to our established policy.

Please find attached a copy of the proposed policy revision.

### **RECOMMENDATION:**

Staff recommends adoption of the revised Workers' Compensation policy.

## Proposed Revision

### Town of Addison

### Workers' Compensation Policy

#### Eligibility for Workers' Compensation

Workers' compensation is designed to cover the costs associated with injuries resulting from identifiable and specific accidents or injuries occurring on the job. It is not designed to cover ordinary diseases of life. All employees and volunteers of the Town are covered by workers' compensation insurance.

An employee injured on the job may be eligible for workers' compensation benefits, which may cover the cost of hospitalization, doctors, treatment, prescription drugs and other related expenses to include possible partial salary continuation.

Injuries not directly related to or caused by a specific accident or incident that occur in the performance of the employee's job duties for the Town of Addison, injuries occurring while an employee or volunteer is working for an employer other than the Town, and/or injuries occurring during self-employment, **are not covered** under the Town's workers' compensation plan.

#### Accident and Injury Reporting Procedures

##### Medical Attention

When an employee is injured on the job, the Town's first priority is to ensure that the employee gets timely medical attention. The employee must immediately report the circumstances of the accident and/or injury to his supervisor who will direct the employee to seek the necessary medical treatment.

##### Reporting and Documentation

The employee's supervisor is responsible for notifying the Human Resources Department **immediately** upon being made aware of an employee's involvement in an accident or injury. This timely notification is critical to allowing Human Resources to authorize treatment of the employee's injuries.

The employee's supervisor will initiate a thorough investigation into the cause and circumstances of the injury, interview all witnesses and prepare a detailed written report explaining how and why the accident occurred. **The supervisor must submit the Addison Accident Report, First Report of Injury or Illness and any other related information to the Human Resources Department no later than the business day after the injury was reported.**

If the employee's supervisor has reason to believe that an injury has been reported that is not directly related to or caused by a specific accident or incident occurring in the performance of the employee's assigned job duties, the Texas Workers' Compensation Commission requires the Town to list the accident as "alleged." The decision of whether or not an injury will be covered by workers' compensation is made by the Texas Workers' Compensation Commission and not by the Town.



If the employee's treating physician recommends convalescence at home, the employee is required to contact his supervisor each day during the time away from work and to report to the Human Resources Department each Friday. For every doctor's office visit, the employee is required to obtain from his doctor a completed medical report form, which includes the employee's diagnosis, when the employee is expected to be able to return to work, the employee's restrictions and the date of the employee's next appointment. It is the employee's responsibility to ensure that a copy of the medical report form is forwarded to the Human Resources Department and to his supervisor. Failure to report to Human Resources as required may result in disciplinary action, up to and including termination of employment.

### **Returning to Work**

An employee is expected to return to work immediately after treatment unless the employee's physician will permit neither regular duty nor alternative duty. The employee must have a written release from his doctor to return to work and it must specify any restrictions. The employee will be expected to accept any alternative duty assignment that may be offered by the Town, including an assignment in another department.

All alternative duty assignments must be approved by the Human Resources Director to ensure compliance with Town policies and with the Americans with Disabilities Act (ADA). Upon returning to work per an alternative duty assignment, the employee's supervisor will create a written alternative duty assignment detailing the employee's temporary duties. The employee must sign the alternative duty assignment agreement and the original is forwarded to the Human Resources Department.

Upon an employee's return to work following an accident or injury, he may be required to meet with the Safety Review Board to present the circumstances surrounding the accident or injury to determine what action might be taken to prevent the recurrence of similar accidents or injuries in the future.

### **Maximum Time Limits**

Subject to other restrictions, limitations and earlier terminations as applicable in particular circumstances, the Town will hold an employee's position for no more than 40 weeks following the expiration of the 12 weeks of Family and Medical Leave (FMLA). At the end of the aggregate 52 week period, should the employee still be unable for any reason to perform the essential duties of his job, with or without accommodation, his position may be filled and he may be assigned to a vacant position for which he is qualified. If no vacant position is available for which the employee is qualified or if the employee declines to accept another position, his employment with the Town will be terminated.

### **Eligibility for Salary Continuation**

An employee who is unable to work for any period of time, either at his regular job or at any alternative duty position, because of an injury that occurred while performing official job duties or conducting official Town business, is eligible to receive workers' compensation benefits equal to approximately 70% of his salary. It is the Town's policy is to make up the remainder of the



employee's regular pay for at least a portion of the time off, provided certain conditions are met. The Human Resources Director will determine whether the employee meets the criteria for receiving supplemental salary continuation pay for any hours missed because of restrictions imposed by the employee's physician. Time away from work for eligible employees who are paid supplemental salary continuation benefits by the Town will not be charged to the eligible employees' sick leave, vacation or holiday leave accruals.

To be eligible for supplemental salary continuation, the employee must furnish to the Town sufficient proof to verify the injury or accident:

- occurred on the job;
- did not occur while conducting personal business on paid or unpaid meal breaks or while participating in voluntary fitness activities;
- was timely reported within the mandatory 24 hour period;
- was not caused by the employee's failure to use or wear prescribed safety apparel or devices;
- did not occur while the employee was under the influence of alcohol, illegal drugs or abuse of legally obtained drugs; and
- prevents the employee from performing his regular job duties or any other alternative duty assignment.

If an employee qualifies for supplemental salary continuation, he may continue to receive his regular pay amount throughout a portion of his recovery period. If at any time during this process the employee elects to retain an attorney and the Texas Workers' Compensation Commission orders that payment of attorney fees is to be deducted from the employee's workers' compensation benefit, a proportionate amount of the attorney fees will likewise be deducted from the salary continuation supplement paid by the Town.

Employees suffering injuries that are not eligible for extended salary benefits may elect to use sick leave, vacation or holiday accruals to offset the loss of income during the recovery period.

The Human Resources Director will continue to evaluate the employee's eligibility for supplemental salary continuation benefits at each 30 day interval of the employee's absence. The following events will be considered violations of Town policy and grounds for possible immediate loss of supplemental salary continuation benefits and/or termination of employment:

- failure to follow the procedures stated in this policy under "Accident and Injury Reporting Procedures;"
- failure or refusal to see a doctor or to follow the physician's instructions regarding treatment;
- failure to keep medical appointments;
- refusal to see a doctor of the Town's choosing for an evaluation when requested by Human Resources;
- working on another job, including but not limited to working in the employee's personal business, while collecting workers' compensation benefits, sick leave pay or supplemental salary continuation benefits from the Town;
- refusal to perform other duties assigned during the recovery period and approved by the employee's physician;
- misrepresentation or falsification of physical condition(s) or disabilities; and
- refusal or failure to immediately return to work after the employee has been released by his physician.



**In no case will supplemental salary continuation benefits be granted for a period in excess of twelve calendar months for the same injury.**

### **Injuries Occurring During Physical Fitness Activities**

To encourage fitness among employees, the Town of Addison has established both mandatory and voluntary physical fitness programs and sporting events. Some injuries occurring during physical fitness activities may be eligible for workers' compensation benefits and supplemental salary continuation benefits, while others will not be eligible for either. An employee injured during the course of a voluntary fitness program is ineligible for workers' compensation benefits. An employee injured during the course of a mandatory physical fitness program may be eligible for workers' compensation benefits and may also be eligible for salary continuation. Definitions of these programs are as follows:

#### **Mandatory Program**

- The employee is required to maintain minimum fitness levels which have been established by the Town;
- failure to maintain established fitness levels may result in termination of employment; and
- official testing for fitness is conducted during paid time.

#### **Voluntary Program**

- Participation in events is not required by the Town and lack of participation will not jeopardize the employee's job, and
- activities are conducted during unpaid time such as lunch breaks, before or after scheduled work times or on days off.